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Agenda item 92 (a)

Macroeconomic policy questions: trade and development

**Letter dated 20 September 2000 from the Permanent
Representative of the Lao People's Democratic Republic to the
United Nations and Chairman of the Group of Landlocked
Developing Countries addressed to the Secretary-General**

I have the honour, on behalf of the Group of Landlocked Developing Countries, to transmit to you herewith the ministerial communiqué adopted at the first ministerial meeting of the Group of Landlocked Developing Countries, held on Monday, 18 September 2000 at United Nations Headquarters (see annex).

I should be grateful if you would have the present letter and its annex circulated as a document of the General Assembly, under agenda item 92 (a).

(Signed) Alounkeo Kittikhoun



Annex to the letter dated 20 September 2000 from the Permanent Representative of the Lao People's Democratic Republic to the United Nations and Chairman of the Group of Landlocked Developing Countries addressed to the Secretary-General

Communiqué of the first ministerial meeting of the Group of Landlocked Developing Countries, held in New York, 18 September 2000

1. We, the Ministers of the Group of Landlocked Developing Countries, have gathered in New York during the Millennium Assembly of the United Nations for the first-ever ministerial meeting of the Group of Landlocked Developing Countries on the sidelines of the General Assembly session. On this occasion, we reaffirm our full and firm commitment to pursue a collective and constructive course of action at the United Nations and other relevant forums for the promotion and protection of our common interests, especially the free and unimpeded access to and from the sea, the reduction of transit transport costs and the development of adequate transit transport infrastructure and also to continue to seek genuine international and regional cooperation for enhanced competitiveness and accelerated growth, sustainable development and positive integration of our countries into the globalizing world economy.
2. We emphasize that, as a group, the landlocked developing countries, 16 of which are least developed countries, are among the poorest developing countries, with the lowest growth rates, and are typically heavily dependent on a very limited number of commodities for their export earnings. The development process of landlocked developing countries is severely handicapped by their geographical isolation and lack of access to territorial sea and the associated high cost of transport. Their remoteness and isolation from major world markets impose serious constraints on the overall socio-economic development of their countries. Effective resolution of the formidable problems faced by those countries requires serious consideration, at a high political level, of concerted national, regional and international policies and measures in their favour.
3. We welcome the United Nations Millennium Declaration of Heads of State and Government, adopted on 8 September 2000 at the Millennium Summit, in which our Heads of State and Government candidly recognized the special needs of landlocked developing countries, and we urge both bilateral and multilateral donors to increase financial and technical assistance to this Group of countries to meet their special development needs, and to help overcome the impediments of geographical handicap by improving their transit transport systems.
4. We express our fullest support to the holding of an international ministerial meeting on transit transport issues in 2003. We also welcome the generous offer of the Government of Kazakhstan to host the meeting. The meeting would provide an important opportunity to chart and adopt a collective action programme to further develop transit transport systems, giving appropriate emphasis to the problems of landlocked and transit developing countries, which would enable landlocked developing countries to effectively participate in the international trading system. We call upon all countries and relevant stakeholders to attach the greatest urgency and importance to this event. We consider subregional and regional meetings, as

appropriate, should be held prior to the ministerial meeting to exchange views on the subregional and regional dimensions of the transit transport cooperation and priority areas of concern.

5. We also underscore the need for full and effective implementation of the Global Framework for Transit Transport Cooperation between Landlocked and Transit Developing Countries and the Donor Community, which provides a comprehensive framework for action at the national, subregional and international levels designed to improve the efficiency of transit transport systems. The proposed ministerial meeting in 2003 should also make an assessment of the progress achieved in the implementation of the Global Framework at national, regional and global levels.

6. In the context of the ongoing processes of globalization and liberalization and major advances in information and communication technologies, we are deeply concerned about increasing marginalization of landlocked developing countries, despite our efforts to devise appropriate national strategies to achieve sustainable development. New measures for duty free and quota free access for our goods and services should be considered in the context of multilateral trade negotiations and other preferential arrangements, including extending Generalized System of Preferences (GSP) schemes to landlocked developing countries that are not least developed countries.

7. The development of transit transport infrastructure and its effective maintenance continue to be a major concern for landlocked developing countries. We are determined, in cooperation with our transit developing neighbours, as well as with the development partners and the private sector to give high priority to the development and effective maintenance of the transit transport infrastructure.

8. We stress the importance of the rationalizing of immigration, transport and customs policies, procedures and documentation as well as the legal framework governing transit trade. The simplification, harmonization and standardization of transit procedures as well as the application of information technologies should play an important role in enhancing the efficiency of transit systems. In this regard, we call upon the United Nations Conference on Trade and Development, in cooperation with other relevant organizations and the donor community, to continue to assist landlocked developing countries and their transit neighbours in these areas.

9. We emphasize the role of subregional and regional arrangements in the development and management of transit transport systems for landlocked developing countries as part of a broader endeavour to develop viable transport corridors. There is a need to better coordinate the planning of transport sector programmes, not only in landlocked developing countries and their transit neighbours, but also where necessary on a wider regional basis.

10. We appeal to all States, international organizations and financial institutions to implement as a matter of urgency and priority, the specific actions related to the particular needs and problems of landlocked developing countries. We urge donor countries, the United Nations Development Programme (UNDP), and multilateral financial and development institutions to provide landlocked and transit developing countries with greater financial and technical assistance in the form of grants or concessional loans for the construction, maintenance and improvement of their transport, storage and other transit-related facilities, including additional routes and

improved communication, and to promote subregional, regional and interregional projects and programmes in this area.

11. We emphasize that the needs and special problems of landlocked developing countries should be adequately addressed at the relevant upcoming global forums, such as the Third United Nations Conference on Least Developed Countries, the high-level international intergovernmental event on financing for development and reviews of major United Nations conferences, with a view to mobilizing international attention and support in favour of these countries.

12. We note with appreciation the contribution made by the United Nations Conference on Trade and Development, as the focal point within the United Nations system on the landlocked developing countries, to the formulation of policies and measures at different levels relating to the special problems of landlocked developing countries. We urge the organization, in collaboration with the other relevant parts of the United Nations system, to further expand its programme to support landlocked developing countries and their transit neighbours in their efforts to improve their transit transport systems. In this connection, we strongly underscore the need to strengthen the resource base of the organization in order to enable it to adequately carry out its mandate in this area.

13. We express our sincere appreciation to Mr. Somsavat Lengsavad, Deputy Prime Minister, Minister for Foreign Affairs of the Lao People's Democratic Republic and his Government for the initiative to organize an annual ministerial meeting of the Group of Landlocked Developing Countries, in particular, for convening this first ministerial meeting of the Group during the fifty-fifth session of the General Assembly, and we encourage him to continue this excellent work on behalf of the Group.



General Assembly

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Fifty-fifth session

Second Committee

Agenda item 95 (d)

**Environment and sustainable development: further
implementation of the Programme of Action for the
Sustainable Development of Small Island Developing States**

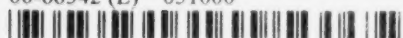
**Letter dated 26 September 2000 from the Permanent
Representative of Samoa to the United Nations addressed
to the Secretary-General**

I have the honour to write in my capacity as Chairman of the Alliance of Small Island States (AOSIS) and to refer to the Second AOSIS Workshop on Climate Change, Negotiations, Management and Strategy, which was held in Apia from 26 July to 4 August 2000.

In this regard, I have been requested by the States members of AOSIS to seek your assistance in having the report of the workshop (see annex)* circulated as a document of the General Assembly under agenda item 95 (d). The list of participants for the workshop can be found at the following SIDS/net web site: www.sidsnet.org/workshop/apia_participants.html.

(Signed) Tuiloma Neroni **Slade**
Ambassador/Permanent Representative
Chairman of the Alliance of Small Island States

* The annex is being circulated in the language of submission only.



Annex to the letter dated 26 September 2000 from the Permanent Representative of Samoa to the United Nations addressed to the Secretary-General

Report of the 2nd Alliance of Small Island States (AOSIS) workshop on climate change negotiations, management and strategy

The second workshop of the Alliance of Small Island States (AOSIS) on climate change negotiations, management and strategy was held in Apia, Samoa, from 26 July to 4 August, 2000, under the auspices of the Government of Samoa. It was organized by the Alliance of Small Island States (AOSIS) in cooperation with the Division for Sustainable Development of the United Nations Department of Economic and Social Affairs (UNDESA). The workshop was generously sponsored by the Government of Italy, with the United Nations Development Program (UNDP) and the Global Environment Facility (GEF) providing substantial travel support to a number of participants.

PROCEEDINGS

The opening session of the workshop, held on 26 July and chaired by H.E. Dr. John W. Ashe, representing the Delegation of Antigua and Barbuda, which serves as Vice-Chairman of AOSIS, began with a prayer from Lupematasila Uele Vaaulu, President of Pesega Central Stake, Church of Jesus Christ of Latter Day Saints. H.E. The Honorable Matatauali'itia Afa Lesa, Samoa's Acting Minister of Lands and Environment, delivered the featured address and formally declared the workshop open. The Minister underscored the importance of AOSIS as the umbrella group of small island developing States (SIDS), and highlighted the need for SIDS to work together on issues such as climate change, in an effort to develop common solutions and the maximize the opportunities to learn from each other. He requested participants to further explore these critical issues in the course of the workshop. He added that AOSIS must continue its active engagement in the various international processes, and that the group should build up its core expertise to assist its Member States in related negotiations at the international level. He concluded by quoting from one of the Member States' Constitution, that... "while an ocean lies between our islands, it does not separate us, it unites us."

UNDP'S Resident Representative and Resident Coordinator of the United Nations in Samoa, Mr. Serge Ducasse, also delivered a welcoming address. He noted that, as a sponsor of the workshop, UNDP is stressing its commitment to assist SIDS in their efforts to cope with climate change and to better understand its impacts. He emphasized that AOSIS as a group must be enabled and assisted in seeking the solutions to and directions for the issues related to climate change.

The keynote address was delivered by the Chairman of AOSIS, H.E. Ambassador Tuiloma Neroni Slade of Samoa. He outlined some of the tasks that lay ahead for participants and stressed the importance of the cooperative spirit that has led AOSIS to make meaningful contributions to the international debate on sustainable development in general and climate change in particular. He expressed the hope that the workshop would enhance the depth and knowledge of the issues for the participants and that they in turn would disseminate, either through SIDSNet or through national consultations, the knowledge gained to their colleagues who were unable to participate.

NATIONAL COMMUNICATIONS

Discussions on the national communications on climate change were conducted over four sessions. The first session dealing with presentations on national communications on climate change by the national coordinators, was chaired by Mr. Tuuu Ieti Taulealo, Director, Ministry of Lands and Environment of Samoa. Introductory remarks were made by Mr. Yamil Bonduki of the UNDP. The Chairman then posed a series of questions of the national coordinators, which was followed by an in-depth discussion amongst the participants on the various aspects of the national communications process. The discussion was broadened to include regional aspects and possible areas for cooperation. Statements were made by Barbados, Cook Islands, Bahamas, Marshall Islands, Jamaica, Mauritius, Vanuatu, Trinidad and Tobago, Seychelles, Nauru, Saint Lucia, Fiji, Saint Kitts and Nevis, Tuvalu, Grenada, Cuba and Samoa. The participants were then divided into two working groups, one representing the Pacific Islands, while the other consisted of participants from the Caribbean and others regions of AOSIS. Each working group then made a number of recommendations on the priority issues identified in the discussions. The main findings of the two working groups are attached as an annex to this report.

Mr. Rolph Payet, Director General of the Ministry of Environment and Transport of Seychelles, chaired the second session, which dealt with the recommendations of the two working groups. Participants discussed further the recommendations of the two working groups and recommended those points agreed to by consensus to the plenary of the workshop. Statements were made by Cuba, Mauritius, Jamaica, Federated States of Micronesia, Bahamas, Samoa, Palau, Niue and the representative of the UNDP.

The third session, which discussed the national communications process itself, was chaired by Mr. Phillip Weech, Chairman of the National Climate Change Committee, Bahamas Environment, Science and Technology Commission. Participants were given an overview of the regional approach utilized in the Pacific Island Climate Change Assistance Program. Mr. Wayne King, Manager, PICCAP, South Pacific Regional Environment Program, explained the benefits of the regional approach while also highlighting the difficulties encountered along the way. Professor Albert Binger, DIRECTOR OF THE University of the West Indies Center for Environment and Development (UWICED) gave an overview of the Caribbean experience and how this had resulted in a somewhat different approach under the Caribbean Preparing for Adaptation to Global Climate Change (CPACC) program. Statements were made by Antigua and Barbuda, Palau, Jamaica, Seychelles, Marshall Islands, Vanuatu, Federated States of Micronesia, SPREP, UNFCCC Secretariat, and UNDP.

The fourth session was chaired by H.E. Ambassador Tuiloma Neroni Slade, Chairman of AOSIS. Participants both elaborated and consolidated the various elements that had been raised in the working groups and in the ensuing discussion. Statements were made by Tuvalu, Federated States of Micronesia, Palau, Antigua and Barbuda, Saint Lucia, Seychelles, Cook Islands, Niue, Mauritius, Trinidad and Tobago, Marshall Islands, SIDSNet, SPREP, IGCI, PacNews and Greenpeace. Participants agreed to the recommendation of the chairman that the "secretariat" should reproduce and distribute the recommendations on national communications for consideration by at a subsequent plenary meeting of the workshop. The representative of UNDP made a

closing remark. The Chairman, on behalf of AOSIS, thanked the UNDP for their support and in particular for the assistance given by the UNDP National Communications Support Program.

GEF CAPACITY DEVELOPMENT INITIATIVE

The opening session under this agenda item was chaired by Mr. Joseph Korono, Director, Environmental Protection Agency, Chuuk State Government, Federated States of Micronesia. Introductory remarks were made by H.E. Ambassador Tuiloma Neroni Slade, followed by a detailed description of the background to the CDI by Professor Binger of UWICED, in his capacity as the consultant for the preparation of the SIDS input to the GEF'S Capacity Development Initiative (CDI). Dr. Walter Vermuëllen also presented a paper on capacity issues in the area of land degradation in Samoa, while Mr. Tapa Suaesi and Dr. Eletise Suluvala covered biodiversity and climate change respectively. Mr. Rawleston Moore from Barbados discussed the capacity development issues both from the perspective of Barbados as well as from the Caribbean as a region. Mr. Neville Koop, Director of Pacific Ocean and Atmosphere Consultants, made a presentation on capacity needs in the Pacific, based on his experiences in SPREP and with the meteorological services of the region. Luc Chang-Ko also made a presentation on issues pertaining to capacity development from the perspective of the Indian Ocean SIDS. Audrey Dropsey of SPREP made a presentation on a survey that SPREP have carried out on the effectiveness of training that has been offered so far in the context of various projects and programs. Statements were made by representatives from Palau, Tonga, Samoa, Vanuatu, Grenada, SPREP, and the University of the South Pacific.

The second session was devoted to discussions in inter-regional Working Groups and the results of these discussions were transmitted by the chairmen of the inter-regional working groups to the third session chaired by H.E. Ambassador Tuiloma Neroni Slade. The recommendations which were agreed to by consensus were then reproduced by the "secretariat" and distributed to participants. The Chairman, on behalf of AOSIS, through Professor Binger, thanked the GEF for their support and in particular for the assistance given by Professor Binger during the workshop.

CLIMATE CHANGE NEGOTIATIONS, MANAGEMENT AND STRATEGY

The first session under this agenda item was chaired by H.E. Ambassador Tuiloma Neroni Slade. He introduced the topics to be discussed, and then gave an opportunity to the representative of the UNFCCC Secretariat, Mrs. Clare Parker, to give an overview of the road to UNFCCC'S COP6, to be held in the Hague in November 2000. A statement was made by the Head of Delegation of Italy, H.E. Ambassador Mario Sica, who spoke on the willingness of Italy to cooperate with AOSIS Members. He assured the participants of the preparedness of the Italian delegates to contribute to the deliberations and to answer any questions regarding the possibilities for joint efforts with Italian institutions. He emphasized the interest of Italy in issues such as capacity building, research and training, and the need to support small and medium sized enterprises. Ambassador Slade, speaking on behalf of AOSIS, thanked the Italian Government for their very generous support to the workshop.

Wayne King of SPREP highlighted the experiences gained in capacity building from the accumulation of views and reports in the PICCAP project, and identified the adaptation needs of the Pacific SIDS. He emphasized that the special needs of the Pacific SIDS are present in all stages of the process of the preparation of their national communications, and underscored the fact that the country team approach was key to a successful process at the national level. He added that as a result of this approach, the national communications produced through PICCAP have enhanced cooperative national team efforts, and inclusive of all stakeholders in the process.

In the discussions that followed, specific issues emerged on adaptation among the country teams and among the national coordinators. While adaptation options had not yet been distinctly defined, there were plenty of tasks ahead for the country teams. Many indicated that what was really required were better tools to measure change, and to demonstrate vulnerabilities to the domestic audience. Indicators of change on for example coral reefs and mangroves were seen as important in order to reach a wide range of stakeholders. Knowledge of adaptation options was still limited and the Pacific region in particular was just beginning to look at policy development and implementation strategies for how to move into the next phases of vulnerability assessment and adaptation. The national coordinators seem agreed to the need for pilot projects and workplans for scoping out adaptation projects. SPREP have suggested that the concept of an adaptation "toolbox" be developed, that would combine awareness with professional and technical training, and would also include regional models.

Mr. Brett Orlando from IUCN presented some views on how the ecosystem approach could assist countries in studying vulnerability and in reaching adaptation solutions. He noted that the renewed impetus to adaptation in the FCCC process, and the future establishment of the adaptation fund under the CDM meant that countries like the AOSIS Members would have to reach new levels of understanding in order to benefit from the possibilities. The ecosystem approach, he added, would seek to set a strategy in place for maintaining and enhancing the value of ecological goods and services, and to promote adaptive management of the ecosystem. Learning by doing was highlighted as a positive contribution, as was decentralization of the management process. He concluded by noting that the main outcome should be to set up practical mechanisms for transferring information and expertise to the stakeholders, to develop partnerships and to ensure that the communities participate fully.

Professor John Hay of IGCi addressed the need to have effective links between science and the development of policy, and that the supporting input from the international negotiations process must also be channeled to the right levels of Government. He noted that while science driven policy is the preferred option, much of the international negotiations have ended up with policy driving science. He also spoke about the very serious threats to the SIDS that were being investigated by scientists on the IPCC. He added that while there are still some uncertainties about the direct effects on specific communities, it is likely that the impacts of increasing extreme events would take a high toll on the SIDS. Finally, he concluded that it is essential to begin integrated assessments of vulnerable areas and sectors in SIDS, and to ensure that appropriate technologies and know-how is transferred to SIDS, and that climate change also needs to be mainstreamed into national sustainable development planning.

In the ensuing discussion, Bahamas, Guyana, Samoa, Palau, Jamaica, Italy, Cape Verde, Federated States of Micronesia, SIDSNet, SPREP and WWF made statements.

The second session was chaired by Ms. I'o Tuakeu-Lindsay, Director of the Environment Service of Cook Islands. Participants continued the discussion of the issue of adaptation to climate change, in particular on the next steps for the negotiations.

Mr. Rawleston Moore of Barbados chaired the third session, which focused on national communications and the tasks ahead for the country teams. Taholo Kani (SIDSNet) made a presentation on future steps for SIDSNet. He enumerated the various problems such as data collection, at national and regional levels, and the difficulties encountered in sharing data with the global level. Improvement is needed in the software available for the collection of data in SIDS. He highlighted the need to establish which agencies or offices are doing what tasks, to finding the opportunities, and the publicity. He noted that not only are SIDS doing more checking but also the research organizations of the developed countries. He reminded participants that SIDSNet affords SIDS with the opportunity to have their stakeholders as the best informed, and that the donors are informed. He concluded that SIDSNet is looking at standardization of information, and to establishing AOSIS standards for how we collect information and sharing, for example online agendas, presentations, etc., which would allow for access to meetings of those WHO cannot attend, and give much better basis for future work.

Prof. Richard Warrick (IGCI) presented a paper on strategies for vulnerability and adaptation assessments in the context of national communications. He indicated that while the ideal situation for SIDS would be to carry out a full scale technical vulnerability and adaptation study, SIDS have done parallel vulnerability and adaptation statements instead, and these have been resulting in workplans and scoping reports. He noted that these provide the grist for the mill of national communications. He stressed the need to put in place an ongoing process, and cautioned that asking IPCC to change guidelines is not the necessary point. Rather it may be better for SIDS to continue with the process of vulnerability and adaptation statements and scoping out possible pilot projects may provide better input in the short and medium term. Adaptation can also be seen as a process, comprising six components, such as capacity building, adaptation assessments, awareness raising as part of incorporating adaptation in the national planning, mainstreaming of adaptation, and inclusion of monitoring and evaluation over time. He stressed that greater attention should be paid to the human dimension. He concluded that adaptation is process that must be incorporated into the national planning.

A presentation on natural disasters, climate change and sustainable development: from theory to practice, WAS MADE by Claudio Margottini (Italy). It cautioned that the economic strengths of Italy increased the resilience to natural disasters, and emphasized that the interaction between different disasters shows this to clearly be the case. Mitigation as well as prevention has been considered in the Italian context. Numerous studies, such as one carried out on sea level rise, looked at the velocity of the sea changes. This was highlighted as being of particular interest to the participants. It was stressed that it was especially important to establish a national approach that is useful to the process at the international level. A practical example

was the development of hazard maps, which many SIDS have stated as being sorely needed.

Participants discussed the information and raised numerous questions in light of the presentations, including on the establishment of regional centers in AOSIS regions. Statements were made by Mauritius, Samoa, Barbados, Palau, Guyana, Grenada, Jamaica, Papua New Guinea, Cuba, Marshall Islands, Saint Lucia, Vanuatu, Fiji, Trinidad and Tobago, Federated States of Micronesia, Cape Verde, Seychelles, Cyprus, Italy, SPREP and UNEP.

The fourth session was chaired by Dr. Renuka Padarath of the Meteorological Service of Mauritius. The discussions focused on capacity building needs, and revisited some of the points from the discussions under the Capacity Development Initiative. A paper on the GEF and responsiveness to SIDS was presented by Mr. Gerald Miles (SPREP), who stated that being responsive and being effective are different things. He spoke of the lessons learned, from the days of the pilot phase and then on to the priorities laid out by the BPOA. On the GEF project cycle, he noted that assistance available through the grants from the GEF's project development facility (PDF) had been helpful. Since the GEF constituency arrangement was based on the World Bank structure, the arrangement allowed for all the Pacific SIDS to be grouped together. However, for some SIDS regions this could not be so easily achieved. He bemoaned the lengthy, time-consuming consultations that were necessary in the Pacific, noting that the costs of these regional consultations are quite high, making it more costly to work on the regional basis. Nevertheless, the Pacific SIDS have made clear their preference to work together as a group. Clearly then the Pacific Governments are getting access to GEF funds, but they need to do more and be more proactive. He further noted that the transparency of tracking the projects is not easy. And when the project takes 3 years to set up, with life span of 3 years, the difficulties are apparent. Country teams do build capacity at the national level. Capacity building remains essential. Focal point training is ongoing and requires further usage. Technical support to SIDS representatives on the GEF could be done in a more concerted way.

Participants heard a presentation on main topics for a program on information and public awareness by Dr. Vincenzo Ferrara (Italy), who detailed the programmatic components required. He also highlighted the areas in which cooperation with Italy might be available to AOSIS, either as individual countries or as regional groups. A discussion on the target groups for information and public education and awareness was started by this presentation and continued throughout the workshop.

A presentation was also made on non-linear analysis, forecasting and chemical monitoring: formation and training of researchers by Antonello Pasini (Italy), who suggested that training be held for AOSIS staff at Italian institutes with further coursework done in one or more of the SIDS.

Brett Orlando presented a paper on capacity building, based on work that has been carried out by IUCN. He informed participants that it was one of IUCN's main areas of work, and that the organization was seeking to respond to the COP6 decision. He added that, since capacity building has not been explicitly defined in the convention or elsewhere, it is at least formulated in agenda 21, in a variety of ways. He noted that

capacity building must be country driven; address country-specific needs; build on what is already available, and develop endogenous capacity. It is also an iterative process that must be sustainable. Some ad hoc activities in the past have been successful but then not followed up. A large number of stakeholders need to be involved and should also include NGOs. In the process the NGOs do play a very useful role. In the national communications, the effort often stops after the submission of the formal communication, and it is clear that the process must continue beyond that stage – which is an avenue for countries to begin using NGOs to assist.

Luc Chang-Ko (Seychelles) presented views from the Indian Ocean SIDS, in the areas of public education, training and awareness. He noted that these were seen as the most effective ways to get people to change their ways of behavior. Lack of strategic look at planning and guidance or any central government policy in this regard has often hampered progress. He pointed out that there is a gap between the climate change process and the necessary national responses to it, and highlighted the difficulties in making these issues acceptable to the population. The focus on climate change education shows that it is better to have a sustained effort and hence a better way of looking at the issues. It is important to cover all bases such as in taking actions and suggesting solutions for people. The aim is to develop a strategic approach with the media, and have a workshop for the policy makers. Other important issues raised included climate change information and research centers. SIDS must be enabled to look at sustainable development and related environment activities that can take care of their further needs under the convention.

Statements were made by representatives from the Seychelles, Tonga, Cyprus, Samoa, Palau and Guyana.

The session chaired by H.E. Ambassador Robert Van Lierop, former Permanent Representative of Vanuatu to the United Nations and the 1st Chairman of AOSIS (1990-1993) was very lively. The session discussed recent scientific findings and heard a presentation on sinks, the IPCC TAR, and other SIDS research to by Ian Fry (Tuvalu). He described the IPCC special report on land use change and forestry, and made a general introduction to the carbon cycle. He also related the several articles of the convention and the protocol, as they became relevant to sinks in the discussion. He stated that sinks are being considered within the discussion of assigned amounts of the Annex 1 Parties. He urged AOSIS to give due consideration to any transfers such as joint implementation, the EU bubble and emissions trading, and noted that it is also relevant to discuss sinks in the context of the compliance issue. He observed that Article 3.3 of the Kyoto Protocol had number of implications, and that the key wording of the Article was open for interpretation. He noted the fact that it was necessary to be aware of the implications, since article 3.3 refers to carbon stock changes only during commitment period. This has great potential to lead to a perverse incentive to some parties to clear-cut forests before 2008 and take credits for reforestation in between 2008 and 2012. He expressed concern that the different definitions of a "forest" that was taken some time by certain countries caused great many loopholes for the Protocol, and he explained how using canopy cover raises multiple problems. He noted that Article 3.4 of the Protocol causes its own complications, as some countries wanted to put in their own definitions, such as forest fertilization, and storage in wood houses, thereby allowing the use of article 3.4 to increase a country's ability to add sinks. While conceding that under the Convention

and in the Protocol, Annex 1 Parties will have to account for the sinks, he questioned whether or not the figures presented were accurate, and cited as proof the variation in figures reported by some parties to the convention. He also explained the difference with non-Annex 1 sinks in that these do not have to be accounted for by the developing countries. He also discussed the issues of leakage, permanence to guarantee the longevity of a sink project, and secondary or ancillary emissions within the projects, and emphasized that very cheap forestry projects discourage renewable energy projects. He concluded by noting that some Annex 1 parties contend that they can only ratify the protocol if sinks are included in the clean development mechanism (article 12 of the Protocol), while others have stated that they need breathing space to develop mitigation options. He felt that since Annex 1 parties have until 2012 to meet the requirements this should be sufficient, and urged the developing countries not to look at the sinks projects in the CDM as a way to make money.

Mr. F. Tubiello (Italy), who described a joint project that has been under development with NASA and Italy, presented a further paper on science and adaptation. In looking at spatial considerations and agricultural influences that climate change can cause, he presented a finding of the research that showed that CO₂ is increasing beyond its natural concentrations. There are two global circulation models in current use and these were utilized by the US national study. GCMs can provide some insights, but are not perfect tools. CO₂ can have some positive effects on the agricultural growth but there are limits to benefits as some weeds may grow faster. Higher temperatures may also have some beneficial effects on higher altitude agriculture. Yield will be reduced in other places because of a shorter maturation time. Other effects are also detrimental such as flooding and extreme precipitation events. It matters to countries to get a good understanding of these issues due to the possible extreme losses in agricultural production that can be caused by climate change and extreme events. Statements were made by representatives from Palau, Mauritius, Vanuatu, Bahamas, Guyana, Saint Lucia, Samoa, Jamaica, Comoros, Suriname, Tuvalu, Barbados, Italy, USP, SPREP, WWF and IUCN.

The sixth session was chaired by H.E. Ambassador Tuiloma Neroni Slade, during which discussions began on "mechanisms" of the Kyoto Protocol. Jurgen Lefevere of FIELD and Jennifer Morgan of WWF made presentations on a number of issues that had arisen in the context of the international negotiations. Statements were made by representatives from Cyprus, Vanuatu, Saint Lucia, Marshall Islands, Maldives, SPREP and POAC.

The seventh session, which was chaired by Mr. Kishan Kumarsingh, of the Environmental Management Authority of Trinidad and Tobago, was devoted to the issue of compliance under the Kyoto Protocol. Professor Jake Werksman of FIELD and Jennifer Morgan of WWF presented a paper on the framework within which a compliance regime COULD work. They noted that the challenge is to bring a compliance framework into force. There are some milestones in the process, which hails back to the INC decision of the General Assembly in 1990. The sub group on compliance, originally chaired by Ambassador Van Lierop during the INC phase, was later upgraded to a full-fledged body known as the AG13 during the Berlin Mandate process. One conclusion of that group dealing with the ratio of size and composition of the decision making body is still unresolved. Article 16 of the KP states that the AG13 might play a role in the compliance, but the focus is mainly on article 18. It has

been suggested that it should be looking at facilitative procedures rather than punitive or legalistic alone. Cases of non-compliance will be followed up, but there is still the issue of enforcement of compliance. It is also clear that the obligations are on Annex 1, but there is still an interest for AOSIS. Thus in the global perspective there is a need for AOSIS to keep the protocol and its integrity central, and merely assist the market forces that will drive a healthy mechanisms process.

Some developing countries are worried that the regime will be too intrusive, and so the role of the system vis-à-vis developing countries must be clarified. The primary role of the system must be to prevent over emission. Second, it must prevent over selling. Third, the regime must ensure additionality, and hence seek to avoid leakage. The compliance system should provide the advice, and assistance in following up on the rules. The practical functioning will have Expert Review Teams, a Compliance Body and Secretariat support. The national communications give a lot of opportunity for Annex 1 to give a rosy picture of the emissions profiles and scenarios. To prevent this one has to enforce the IPCC rules. If the ERT finds that there is a discrepancy then the system should look at replacing that data. The system should also result in certain consequences that can be seen as binding. There seems to be agreement that a panel of enforcement experts to put these procedures into action. But the question remains as to who can trigger the procedure, and this is still an ongoing debate, especially as far as the range of issues to be considered.

During the subsequent discussions, statements were made representatives from the Marshall Islands, Bahamas, Saint Lucia, Palau, Guyana, Tuvalu, Jamaica, Samoa, Kiribati, Italy, SPREP and POAC.

There was also a presentation by Sergio Castellari on a proposal for a Pacific Climate Change Bulletin. The intention is to establish a training function with SPREP funded by Italian Government, that would go beyond the current work on the former US territories and associated States put out by the PEAC. They will look at the production of education materials, summaries and predictions, as well as climate diagnostic materials for looking at the predictions. They will also collect meteorological data, and make threat awareness more available to the SIDS in the Pacific. Located on the SPREP web page, it will run for 18 months. In the ensuing discussion it was clarified that a similar function could be made available to the other Members of AOSIS through appropriate regional bodies or institutions. A request to this effect appeared likely.

A closed meeting of the AOSIS coordinators was also held.

The eighth session was chaired by H.E. Ambassador Tuiloma Neroni Slade. The session was a preparatory meeting for the 3rd AOSIS Workshop (to be held in Cyprus 2001), which will be devoted to the issues of climate change, energy and the 9th session of the CSD. After a brief introduction by the Chairman, Mr. Espen Ronneberg (United Nations) presented the relevant texts from the Barbados Programme of Action for the Sustainable Development of SIDS, the outcome of the 22nd special session of the UNGA, and the energy related provisions therein. This was followed by a review and assessment of the BPOA, the outcome of the 22nd special session of the UNGA, and perspective on future sustainable energy paths for SIDS, with considerations of some Caribbean perspectives, by Prof. Albert Binger (UWI - Jamaica). He spoke of the enormous gaps in social spending caused by the cyclic nature of the SIDS

economy, and which forces the edges of the economy to deplete the resources. 85% of all emissions are energy related, as climate change is clearly an energy-related problem. The knock on effects for SIDS are very great. He explained his views on the need to shift into a new energy services paradigm – efficiency of production and use. This should take into account the resources that are available to SIDS, but which are under-utilized – solid waste, sewage, sugar factories and other agricultural waste products, etc. There is also a need to look at combining the agriculture and energy sectors. Also, there is a lot of waste heat is lost, and opportunities are often not captured by industries. The other resource available to SIDS, which we only think to throw cameras into, is the ocean. The thermal energy in the tropical ocean is not being tapped and is of great potential. OTEC can well meet all our energy needs except for transport and aviation. Biomass can be used in production of plant oils. Test case of the pilot cooking stove. He said that the bottom line is the maximum use of our own resources. We do need to change our local transportation patterns, and to avoid the local costs as well as the emissions.

Anare Matakeviti (SOPAC – Fiji) presented the outcomes of some work currently underway by SOPAC on energy usage in the Pacific region. The capacity and the dependence on fossil fuel energy is different across the region, but is still the major fuel source in the Pacific. There are difficulties in extending the grid, and in getting energy to villages at an affordable cost. Use of appropriate technologies to the rural level is also problematic. He called on other partners in the energy sector, such as the investment banks, and to get energy efficiency into industrial applications, get the utilities to address demand side management. He raised the question of the lack of appropriate power sectors, and the lack of international support that is needed. Improving fossil fuel usage is important, but so is the move into other forms of generation. It was important to bear in mind the issue of meeting the energy needs of the people for the future.

Dr. Renuka Padarath (Mauritius) presented a paper on the energy perspectives of the Indian Ocean SIDS. The energy strategies relate to the heavy costs for the economies of fossil fuels. There appears to be consensus across regions that there is a need to increase use of renewable energy and to seek pilot projects in wind power and hydro. He described a prudent path to address climate change together with energy and sustainable development. Acquiring knowledge and pursuing policies that leads to sustainable development, but most of all it will lead to self-reliance, in and among SIDS, were seen as crucial elements.

Mr. P. Menne (Italy) presented a paper on energy production and saving, hybrid electric power plants and renewable energy systems, and on capacity building. He spoke of a case study on the renewable sector in SIDS, and mentioned the energy farm concept. The farm concept is intended to use the biomass and waste from agriculture and livestock. The application of island projects has been set up in Mediterranean. The emphasis has been on shifting the focus over to other fuels, and to look into combined projects with hybrid systems and multiple benefits. A further project, the Islands Project, which aims to look at reducing the impact on isolated communities, was also detailed. This is a hybrid energy systems project of particular interest to SIDS. The cost of transportation of the fuel adds another level of costs to the diesel generation. As such the up-front costs are the pivotal ones. Interest

rates could drive the investment, if we were able to get the savings properly accounted for.

In the discussion that followed, statements were made by representatives from Samoa, Jamaica, Saint Lucia, Marshall Islands, Cyprus, Vanuatu, Cook Islands, Guyana, Kiribati, Fiji, Niue and SPREP.

The Chairman, after consulting the participants, presented the final draft of the recommendations of the workshop. Preliminary comments were offered, on the understanding that a further opportunity would be given via email. The final report would then be circulated within the next week.

Participants extended a warm expression of thanks to the Samoan Government, in particular to the Ministry of Lands and Environment and the Ministry of Foreign Affairs.

The Chairman thanked the participants for their attendance and keen interest. He also thanked the sponsors of the workshop, the Government of Italy, UNDP and GEF. Before closing the meeting he also expressed the sincere gratitude of the Chairman and the participants to the "Secretariat" for its contributions to the successful outcomes of the workshop.

CONCLUSIONS AND RECOMMENDATIONS

NATIONAL COMMUNICATIONS

1. Participants agreed that the country team approach had resulted in measurable improvements in the way that AOSIS Member States collect and disseminate data on climate change issues, and stressed the need to have this team approach formally institutionalized for purposes of continuity. They noted with appreciation the effort made by UNDP-GEF to provide "backstopping" support, through its National Communications Support Program, to assist some AOSIS countries with the preparations of their initial national communications.
2. Participants noted that human resource development as well as institutional capacity building were critical requirements for the further development of the country team approach. They also noted that the project by project basis of funding, which has been the modus operandi in the past, should be superseded by a systematic approach to capacity building within which the national communications processes could be an integral part of sustainable development.
3. Participants recalled the decision of the second Conference of the Parties to the Climate Change Convention on guidance to the financial mechanism of the Convention (GEF), which, among other things, called on the GEF to provide financial resources, upon request, to developing country Parties for the implementation of priority projects identified in their national communications. They urged AOSIS Member States to include such projects in their national communications and seek subsequent funding from the GEF for these projects.
4. Participants raised a number of concerns on coordination and capacity building, particularly as they relate to access to expertise and the sustainability of the policy framework process at the level of the national institutions. They recommended that, through SIDSNet and relevant regional organizations, the establishment of

skills banks to facilitate the exchange of information and best practices, and the development of structured training efforts, be undertaken.

5. Participants highlighted the fact that the IPCC guidelines were not entirely appropriate to AOSIS Member States and that there is a need to consult with the IPCC, in cooperation with AOSIS and regional organizations, on the development of guidelines which are more sensitive to the needs of AOSIS Member States, including the development of local emissions factors as well as regional climate scenarios to cover specific areas and sectors, as well as overall socio-economic assessments. They encouraged the IPCC, in cooperation with AOSIS and regional organizations, to explore the possibility of developing alternative assessment methods for vulnerability studies, which will enable AOSIS Member States to have a better understanding the nature and extent of adaptation issues facing them. They also urged the IPCC, in cooperation with AOSIS and regional organizations, to develop easy-to-understand guidebooks that can assist AOSIS Member States in the use of the IPCC methodologies. Participants also noted that importance of strengthening in-country skills in developing and understanding regional models and encouraged UN system, the IPCC, regional organizations and donor countries, to assist AOSIS Member States in the strengthening of these skills.
6. Participants underscored the need for public education and awareness on and community involvement and participation in climate change issues in AOSIS Member States. They noted the absence of these factors contributed to some of the difficulties encountered during the development of the national communications, and emphasized the need for widespread dissemination of relevant educational materials on the potential impacts of climate change. They recommended that, for subsequent national communications, more resources from the financial mechanism of the Convention should be made available for more in-depth public awareness and education activities and for community involvement and participation on climate change issues.
7. Participants identified information and data management as critical components that will needed by AOSIS Member States to help them fulfill their obligations under the Convention, as well as to plan for all other activities envisaged in the Convention. They stressed the need for improvement in the management and collection of data, and also the accessibility of data. To facilitate this process, participants recommended that priority should be give to the development of the national databases, as well as regional, and subregional ones, and noted that SIDSNet, in cooperation with relevant regional organizations, could serve as a mechanism for the exchange of database information amongst AOSIS Member States. In this regard, they urged that additional funding and personnel be identified and procured, from sources such as the GEF, to enable SIDSNet to carry out this function.
8. Participants called for the establishment/strengthening of regional/subregional "centers of excellence" in the focal area of climate change to enable countries to have a supportive framework, and for information retrieval. They urged the countries and regions of AOSIS to carry out assessments of their existing capacities and identify potential partners in the thematic areas of focus, to allow for the identification and subsequent establishment/strengthening of the "centers of excellence," and their appropriate roles in the national communication process.
9. Participants noted that information on the available sources of technical and financial support was not widely available, and that there was a need at the country level for central access points for data on climate change training and

other capacity needs, as well as related information on technical and financial support.

10. Participants from some regions were concerned that they were not receiving the same level of support as others and that the need for a regional support mechanism for those regions needed to be put in place. Based on the success of SPREP in the Pacific region, the workshop recommended that, in principle, the AOSIS Member States from the African and Indian Oceans regions should consider establishing formal mechanisms and/or cooperative regional arrangements, which will allow for a supporting framework for effective support, coordination and financial assistance and training. Similarly, for the AOSIS Member States in the Caribbean region, there should be a process of assessment and identification of abilities that would allow for a similar coordination effort to be put in place, bearing in mind the calls for regional centers of excellence.

CAPACITY DEVELOPMENT INITIATIVE

1. Participants recommended that national needs assessments be initiated in the focal areas of climate change and biodiversity (and land degradation as it relates to these two areas), recognizing that countries are at different stages of such assessments. They called for the establishment, as appropriate, of national level sustainable development offices in the focal areas of the climate change and biodiversity (and land degradation as it relates to these two), and/or national commissions, councils or coordinating mechanisms for policy planning and implementation, as a matter of priority. They also underscored the need for international technical and financial support for these offices, which will also require access to ongoing training programs for further capacity development.
2. Participants stressed the need for AOSIS to have country-based assessments of capacity-building needs carried out. This could include issues related to legislative matters, enforcement of existing regulations, or further issues of relevance to the countries individual needs assessment. Technical assistance to carry out these tasks is required for most, if not all, countries. They also highlighted the need to establish specific units to implement the Conventions, while ensuring that the issue of implementation and capacity needs for obligations and opportunities under the Conventions be considered in the broader terms of sustainable development. This again requires a support structure at international or regional level.
3. Participants underscored the need to ensure continuity of the GEF CDI, and cautioned against a project-by-project approach to capacity building. They identified a range of specific capacity needs that would be required, such as training in negotiation skills, resource inventory and management, and access to data and archives, and highlighted the usefulness of having training for cost benefit analysis in the public service. They also highlighted the need for the involvement of all sectors of society in the decision-making process.
4. Participants placed considerable emphasis on cross-cutting issues, looking at the three focal areas of the CDI study (climate change, biodiversity and land degradation as it relates to these two). A number of key areas were mentioned, including national needs assessments and data management, as well as the need to strengthen SIDSNet as a clearing house mechanism for the data issues such as:

Negotiation management and training in negotiations skills;

Strengthening national policy and planning processes;

Research and systematic observations and monitoring;

National and regional approaches;

Cooperation at national, subregional and regional levels, and between regional institutions;

Development and training of country teams;

Training and skill development in relevant areas;

Cultural needs, as appropriate, in country specific assessment.

5. Participants also discussed in general terms the structure of the CDI, emphasizing that, in many instances, it should seek to build on the capacity identification process already undertaken by AOSIS in the BPOA and at the 22nd Special Session of the UNGA. They emphasized the need for inclusion of science and technology needs, including geographic information systems, in the CDI.
6. Participants delineated capacity-building needs at the various levels, stressing the distinction between the need for a set of short term requirements, such as reporting skills, negotiation skills, and those which are needed from the longer term and which would involve more specific needs assessment at the national level, while recognizing the challenges countries will face in making such assessments.
7. Participants underscored the importance of the CDI as a possible tool for bringing about changes in sustainability and equity and to get sustainable development planning better institutionalized in AOSIS Member States. They also noted that the CDI could be used to set up a framework for consideration of capacity needs in countries, which took the process into areas other than climate change such as land degradation and biodiversity, while noting that sustainable development is an over-arching process that must be used as a integrative tool to bridge the gaps and create cooperative arrangements between all stakeholders (government, NGOs, private sector and civil society).
8. Participants highlighted the need for a process which will lead to the identification of effective environmental management, and improvement to these management processes by the integration of environmental concerns. However, they cautioned that the CDI should not seek to reinvent the wheel, since the BPOA has highlighted many of these issues. They stressed that the current GEF project based approach needs to be gradually replaced with a more programmatic approach that would foster sustainable development. In addition, a program-based or process-oriented approach is needed to get a sector by sector assessment as well as ongoing evaluation of the each national system.
9. Participants expressed support for the efforts to establish (in regions where they do not exists), or further strengthened (in regions where they exists) regional centers for V&A studies and other disciplines that are required in each region to tackle emerging environmental issues under the various Conventions. This would contribute to the capacity building of countries. In this regard, they called for

- assistance, through the CDI, for ongoing efforts to establish and/or strengthen distance learning programs in all AOSIS regions.
10. Participants took note of the efforts of the various regional institutions to establish country-driven training programs. They highlighted the need for the CDI to assist with enhancing SIDSNet, in cooperation with relevant regional organizations, to enable it to assist countries in the exchange of information on the management and access of data and on the dissemination of information on best practices.
 11. Participants further noted the need for the development of capacity through the use of regional/national experts for the national/regional training and the expanded use of cooperative arrangements amongst institutions within AOSIS Member States, in order to help bring the regional organizations into a supporting role. They also highlighted the need for assistance from the CDI to help AOSIS Member States overcome the information technology barriers to inter- and intra-regional communications.
 12. Participants also recommended that regional support mechanisms are needed and "centers of excellence" were identified as a method for working on this aspect of capacity development. They invited the SIDS Unit of UNDESA, in cooperation with the AOSIS Member States and relevant regional organizations, to identify, on an urgent basis, the tasks that could be carried out by these centers, taking fully into account the mandates of the relevant regional organizations. Linkages between the centers are needed, so as to promote cost effective sharing of expertise and experience.
 13. Participants urged that the decisions of the 22nd Special Session of the UNGA on the Comprehensive Review of the Barbados Programme of Action for SIDS, to be taken fully into consideration by the GEF in the further development of its CDI, in particular, the UNGA recommendations on capacity development. In this regard, the participants called for the CDI to contribute to the institutional strengthening of AOSIS, including through the establishment of a permanent secretariat, to enable it to assist its Member States with their capacity development needs.

ADAPTATION TO CLIMATE CHANGE

1. Participants acknowledged that adaptation to the adverse effects of climate change remains the key challenge facing SIDS, and reiterated that Stage II adaptation activities need to be urgently undertaken, in the context of the preparation of second national communications and, more importantly, for the development of demonstration projects ("learning-by-doing") that will contribute to the early identification and subsequent implementation of viable Stage III activities.
2. Participants urged AOSIS Member States to begin identifying specific activities that will define Stage II and Stage III adaptation, taking into account Articles 4.1(d) and 4.1(e) of the FCCC, relevant IPCC publications on adaptation, the UNFCCC Secretariat's list of coastal adaptation technologies, and the recent "framework" developed by UNDP-GEF for capacity building for Stage II adaptation, as platforms from which to develop specific adaptation activities at the national and/or regional levels, in an integrated approach within sustainable development strategies.
3. Participants agreed that the UNFCCC's fourth Conference of the Parties (COP4) had taken the first step in providing guidance to the GEF in decision 2/CP.4, which, *inter alia*, calls on the GEF to meet the agreed full costs of implementing

- Stage II adaptation activities. They also called on the GEF to further elaborate the concept of "agreed full costs," and be more flexible with its application.
4. Participants reiterated that Stage II adaptation activities should be country-driven and should build on the work done at the national level either in the preparation of the national communications or in-depth national studies. Existing national initiatives should also be given consideration in this regard. In highlighting the importance of the regional approach for the implementation of Stage II adaptation activities, participants noted its contribution to the successful implementation of Stage I activities, and called for the use of regional expertise and organizations, where appropriate, and for the use of national mechanisms where this is feasible or preferable to the national authorities.
 5. Participants recommended that, given the importance of adaptation to the implementation of the commitments of all Parties, contained in Article 4.1 of the Convention, the sixth session of the UNFCCC's Conference of the Parties adopts a decision on guidance to the GEF that calls for the provision of financial resources (agreed full costs) to developing country Parties, in particular the least developed and the small island developing States amongst them, to enable AOSIS Member States to begin implementing Stage II activities and to develop demonstration projects aimed at identifying and subsequently implementing viable options for Stage III adaptation activities.

SIDSNet

1. Participants welcomed recent developments on SIDSNet, which included the provision of funds from a small number of donor countries. They expressed concern with the proposal by UNDP to relocate SIDSNET to a developed country and reaffirmed the AOSIS decision that SIDSNET should remain at United Nations headquarters in New York.
2. Participants, in reaffirming the importance of SIDSNet to SIDS and to the implementation of BPOA, strongly endorsed the proposal to relocate SIDSNET from UNDP to the SIDS Unit of UNDESA, and called upon the Chairman of AOSIS to present this recommendation to the Administrator of UNDP and to the Under-Secretary-General of UNDESA, with a view to ensuring a smooth and immediate transition of SIDSNET to the SIDS Unit of UNDESA.
3. Participants identified a number of tasks for SIDSNet. These include:
 - (a) Assisting SIDS in the identification of short/long-term capacity needs through coordination with the regional institutions;
 - (b) Dissemination and promotion of a number of tools, such as V&A, GIS, and serving as a virtual site for ongoing capacity development in these areas;
 - (c) Serving as a repository for various sources of relevant information, documents and expertise of AOSIS Member States; case study profiles were seen as important additions to this process.
 - (d) Enhancing cooperation between regional organizations and with AOSIS Member States, in accordance with the mandates of the organizations and on availability of resources.
4. Participants recommended that an updated and revised directory of SIDS Experts be made available through SIDSNet, categorized by country, region and area of expertise. This would assist AOSIS Member States in accessing expert advice and assistance for a variety of capacity development and technical assistance needs. Participants noted the contribution that had been made by TCDC Unit of UNDP

(SIDSTAP – SIDS Technical Assistance Program), and recommended that this task be taken up by SIDSNet in its transition over to the SIDS Unit of UN DESA. SIDSNet should also standardize assist these States with the coordination of data collection and monitoring to allow for more uniform reporting on SIDSNet, which in turn would allow for ease of comparison between countries and regions. The SIDS Unit of UNDESA should assist SIDSNet in this, in cooperation with the relevant regional organizations.

5. Participants also recommended that SIDSNet should be strengthened to enable it to conduct ongoing virtual capacity development workshops in areas of greatest concern to AOSIS Member States, as identified in the BPOA. This will require funding through various sources, including through the CDI. The work should be coordinated through the SIDS Unit of UNDESA, and should involve the UN system and relevant regional organizations, as well as relevant institutions and programs in Member States of AOSIS.
6. Participants invited regional organizations to disseminate their current and planned programs through SIDSNet for the purpose of establishing an ongoing and programmatic approach to capacity development in AOSIS Member States, building on the appropriate regional mechanisms that may be in place.
7. Participants called for the development of a regional presence for SIDSNet, including within the regional organizations of AOSIS Member States involved in national communications. This could necessitate a full-time SIDSNet officer in each of the AOSIS regions and, as appropriate, within the regional organizations within AOSIS Member States. Specific tasks for such officers will have to be determined according to the mandates of the regional organizations, regional priorities, needs and capacities, but could include assisting the SIDS Unit of UNDESA in its work to coordinate information exchange within and between AOSIS Member States.
8. Participants agreed that the strengthening of SIDSNet activities at the national level within AOSIS Member States required urgent attention. SIDSNet will also seek to keep AOSIS Member States fully informed of progress with SIDSNet, as well as any problems encountered, as well as its future needs.
9. Participants urged SIDSNet to explore ways of providing information in languages other than English, given the diversity of the Membership of AOSIS.
10. Participants requested the Chairman of AOSIS to bring these matters to the attention of the relevant budgetary committee of the UN, with a view to incorporating into the UN regular budget, the personnel needs of the SIDS Unit and of SIDSNet to enable them to carry-out these tasks, including the costs for the full network of SIDSNet.

STRENGTHENING OF THE SIDS UNIT

1. Participants welcomed the appointment of Mr. Espen Ronneberg to the position of Inter-regional Advisor within the SIDS Unit of UNDESA, with responsibility for the coordinated follow-up of the recommendations of the 22nd Special Session of UNGA on the review of the BPOA. In this regard, participants noted with appreciation the generous contribution made by the Government of Norway to fund this position and, given the effectiveness of the Inter-regional Advisor to date, further invited that Government to continue its generous contribution on conclusion of the initial three-year period.

2. Participants invited UNDESA to ensure that the post of Inter-regional Advisor be included in the core posts of the SIDS Unit. They also called for the strengthening of the advisory and supportive roles that the Inter-regional Advisor provides AOSIS Member States in the meetings of the subsidiary bodies of the United Nations Framework Convention on Climate Change and the Convention on Biological Diversity, and strongly endorsed his continued attendance in these capacities at the meetings of the UNFCCC and the CBD, including the future meetings of the ICCP of the Biosafety Protocol, given the importance of these Conventions to the implementation of the Barbados Program of Action.
3. Participants highlighted the importance of the participation of SIDS in the recent initiatives undertaken by the GEF and the IPCC. In this regard, they strongly endorsed the participation of the Inter-regional Adviser on the Steering Committee for the GEF's IPCC/UNEP capacity-building project aimed at strengthening the participation of developing country scientists in the work of the IPCC, and on the Steering Committee for the GEF's Capacity Development Initiative, and invited the Chairman of AOSIS to communicate these recommendations to the CEO/Chairman of the GEF and the Chairman of the IPCC respectively.
4. Participants also requested the Inter-regional Advisor to continue assisting the Chairman of AOSIS with the organization, planning and execution of all AOSIS Workshops related to the Conventions and the Barbados Program of Action.

ARTICLES 4.8 AND 4.9 OF THE UNFCCC

1. Participants noted the importance of the work underway on the implementation of articles 4.8 and 4.9 of the Convention. They also noted that AOSIS views on this agenda item had been incorporated into a formal submission to the UNFCCC Secretariat for the twelfth session of the subsidiary bodies of the UNFCCC.
2. They reviewed the contents of the submission and highlighted the concern that, under Article 4.8, adaptation should follow a rigorous assessment and evaluation process, so as to avoid maladaptation, and to ensure that the adaptation proposals are environmentally sound and will produce real benefits. They also noted that adaptation should be considered as having global benefits, even if the narrow definition, currently in use, would suggest that the benefits are purely local, and in recalling that it was identified as one of the global actions (along with mitigation) in the objective of the convention, they urged that the previously narrow interpretation be replaced by one that highlights the global benefits of adaptation.
3. Participants also recalled that the AOSIS submission also addressed the issue of Article 3.14 of the Kyoto Protocol, and that the most important consideration is for the actions that Annex 1 Parties should take to implement their policies and measures (PAMS), is to ensure that their PAMS are environmentally sound and comprehensive and that they reduce emissions. They highlighted the fact that any future consideration of funding or insurance should be on the basis of a discussion on the adequacy of these Annex 1 PAMS, and on whether the Annex 1 countries are indeed implementing fully the Kyoto Protocol, which in turn would determine whether or not accelerated efforts in the area of adaptation are required.
4. Participants noted that the workshops organized so far by the UNFCCC Secretariat have highlighted the continuing inability of experts and Parties to adequately and convincingly make the case on negative impacts of response measures. They also noted that AOSIS experts who have studied the matter have only observed positive outcomes from measures which have been taken. They

- further added that, to date, there have not been any factual reports on so-called "negative impacts," and that the issue of seeking to minimize impacts had only been addressed by only one study presented to the workshops.
5. Participants were of the view that the debate on this issue of negative impacts of response measures was not yet timely, and urged that efforts be concentrated on implementing what are already commitments under the Convention. In this regard, AOSIS Member States were of the view that priority should be given to the implementation of the provisions of Article 4.9, which addresses the needs of the least developed countries.
 6. Participants noted that the AOSIS submission identified a number of initial actions that should be implemented in accordance with Articles 4.8 and 4.9 of the Convention, through the provision of adequate financial resources and appropriate technologies, with special consideration given to the least developed countries. They include:
 - a. Improving preliminary data and information gathering;
 - b. Providing for thematic and regional workshops on issues related to adaptation, insurance, technology and financing relevant to these articles;
 - c. Establishing and strengthening systematic observation and monitoring networks (sea level and climate monitoring stations), and providing training in specialized fields relevant to adaptation, such as GIS, modeling, and integrated coastal management;
 - d. Enhancing technical training for vulnerability assessments, climate change impact assessments across all sectors and environmental management.
 - e. Establishing and or strengthening regional centers for the provision of research, training, education and technical support;
 - f. Establishing or strengthening early warning systems for extreme weather events in an integrated and inter-disciplinary manner to suit the requirements of particularly vulnerable countries;
 - g. Establishing pilot or demonstration projects to show how adaptation planning and assessment can be practically translated into projects that will provide real benefits, and integrated in national policy and sustainable development planning, on the basis of the staged approach endorsed by the Conference of the Parties in its decision on national communications from non-Annex 1 Parties.
 7. Participants were informed of the consultations to be held on this issue at the seat of Secretariat in August 2000 and urged the AOSIS Coordinator to participate actively in these consultations, with a view of ensuring that AOSIS views, in particular those on adaptation and insurance, were incorporated in the revised version of discussion text to be considered at the thirteenth session of the subsidiary bodies of the Convention in September.

ARTICLES 4.2(A) AND (B) OF THE UNFCCC

1. Participants noted that the issue of Articles 4.2 (a) and (b) still remains to be discussed fully by the COP. They noted the need for a genuine opportunity to hear the views of all Parties, to listen to all concerns and to review these articles. Participants reiterated the general view within AOSIS of disappointment that there has not been adequate or even demonstrable progress towards the objective of the Convention, and that further delay will make prospects for survival in the AOSIS

countries even more tenuous. Participants recognized that though some Annex 1 were taking some actions, it was certainly not to the extent expected from their statements made at the Conferences of the Parties. They urged that future discussions should focus on the question of why Annex 1 Parties are not doing more, when compared to the steps taken by many developing countries, who have made progress despite the very low levels of resources they have available to them. They urged that issue be resolved in the near future.

2. Participants urged Annex 1 Parties to urgently sign and ratify the Kyoto Protocol. They also noted that most AOSIS Member States have signed the Kyoto Protocol, and some have already ratified the agreement. They urged those AOSIS Member State who have not yet done so to sign and ratify the Protocol, while being cognizant of the need to close its loopholes.

SCIENTIFIC RESEARCH

1. Participants, in noting the valuable contribution that the IPCC has made to the understanding of the climate change process, expressed concern with the small numbers of scientists from AOSIS Member States and called for wider participation of scientists from these countries in the IPCC process, while recognizing the need to develop capacity building in the field of climate change science and appealing to the international community for assistance.
2. Participants noted and supported the proposal by SIDSNet to act as a communication source to identify training programs and scholarships that would be appropriate for AOSIS countries to meet their capacity development and institutional strengthening needs in the field of climate change science.

LAND USE, LAND USE CHANGE AND FORESTRY (LULUCF)

1. Participants noted the contribution of LULUCF activities in relation to the global carbon cycle, as well as the relevant contribution of fossil fuel burning in residual greenhouse gases in the atmosphere.
2. Participants noted that issues associated with LULUCF were relevant in relation to national inventories of Annex I countries and to project based activities. They expressed concern with attempts by some Annex I countries to defined LULUCF activities in a manner that could significantly affect their assigned amounts, and recommended that these proposals be studied thoroughly to ensure that they were not used as a means to enable Annex I Parties to escape or to indefinitely avoid their commitments to reduce greenhouse gas emissions.
3. Participants noted the implications of current discussions associated LULUCF as they related to the Kyoto Protocol. They expressed their appreciation for the work carried out by the IPCC on this issue, but noted that some topics associated with project based activities may need a more comprehensively assessed for their implications.
4. Participants discussed the issue of leakage and non-permanence of LULUCF project based activities and underlined their concern that projects being proposed under the Clean Development Mechanism will not properly address these issues or contribute to sustainable development.
5. Participants agreed that the concern of AOSIS Member States of their vulnerability to the adverse effects of climate change must be given primary consideration in any decision associated with LULUCF.

MECHANISMS

1. Participants noted the very serious implications to the environmental integrity of the Kyoto Protocol in general, and to increases in Annex I Parties' emissions in particular, that the mechanisms could have, unless potential loopholes are closed. They stressed the need to continue to press for domestic action within Annex I Parties as the Protocol's primary goal.
2. Participants highlighted the fact that the sheer complexity of the issues relating to the mechanisms creates communication problems and contributes to the lack of public awareness at all levels.
3. Participants discussed the main areas of concern to AOSIS Member States, and the various alternatives that have been included in the consolidated draft text of the Chairman of the contact group on the Kyoto Mechanisms. They noted that a number of AOSIS were listed among the alternatives. These include: the AOSIS participation in Executive Board, transparency, eligibility of projects under the CDM, share of proceeds, the significant uncertainties relating to sinks, and the adaptation fund.
4. Participants recommended that AOSIS continue to press for a seat on the CDM Executive Board, and for a composition reflecting a majority of developing country participation, and reiterated the call for the CDM's institutions should function in a transparent manner.
5. Participants noted the importance of ensuring that the projects funded by the CDM were country driven, supported sustainable development and could meet the needs and concerns of AOSIS members. The possible use of a "positive list" of project types or technologies was discussed. Participants recommended that assessing the desirability of such a list would require further thought and the assistance of AOSIS technical experts in ensuring that it would prioritize projects and technologies of use to AOSIS countries and would contribute to their sustainable development. Nevertheless, they reaffirmed the group's position that nuclear energy should not be included in the CDM.
6. Participants recalled the central role that AOSIS delegations had played in ensuring that the CDM activities could generate funds for adaptation through the application of an adaptation surcharge. They stressed the need to ensure that such a surcharge generated significant funds without decreasing the CDM's attractiveness vis-a-vis the Protocol's other mechanisms. They firmly support the position adopted by the G77 and China that the surcharge should be applied to the other mechanisms of the Protocol.
7. Participants discussed the need to ensure that any "Adaptation Fund" established to distribute the proceeds collected would be governed and managed in a manner that AOSIS Member States' needs to achieve sustainable development.
8. The Participants noted with concern the proposals by some countries to channel adaptation funding to those countries receiving the largest amount of CDM investments. They strongly rejected these arguments and stressed that countries most vulnerable to the impacts of climate change should be the priority recipients of adaptation funding.

COMPLIANCE

1. Participants noted the valuable contribution that AOSIS has made to the development of the compliance regime within the Convention process. They reaffirmed the positions reflected in past AOSIS submissions on compliance, which stressed the need for a strong, effective, and transparent compliance system authorized to enforce "binding consequences" against Annex I Parties that have failed to meet their emissions reductions commitments.
2. Participants pledged to concentrate their efforts in the joint working group on compliance, and to strengthen AOSIS' participation in the negotiations on this crucial issue.
3. Participants highlighted the need for AOSIS Member States to be represented on the Expert Review Teams and on any new bodies established under the compliance regime. They stressed the need for developing country Parties to be accorded the right to trigger the compliance procedure, and called for an open, transparent and manageable compliance regime, that will assure AOSIS Member States that the Annex I Parties are in fact meeting their obligations under the Kyoto Protocol.
4. Participants recalled the essential relationship between compliance and the mechanisms and in particular the need for the compliance system to ensure the integrity of emissions trading and joint implementation. To this end, they supported the use of the compliance system to prevent any Annex I party, which fails to meet eligibility criteria, from participating in the mechanisms.
5. The Participants underscored the need for further discussions on the design of appropriate "binding consequences" and on the various proposals by a number of developed countries for a "compliance fund" and for a "compliance action plan". They recommended that these proposals be studied thoroughly to ensure that they were not used as a means to enable Annex I Parties to escape or to indefinitely avoid their commitments to reduce greenhouse gas emissions.

ENERGY

1. Participants noted that the use of woody biomass as the dominant source of fuel for household energy contributes, in some cases, quite significantly to deforestation in a number of AOSIS Member States. They also noted the negative impacts on health from woody biomass fuel. Recognizing the links between deforestation, loss of biological diversity and land degradation, participants recommended that a goal of AOSIS should be the immediate identification of options for more sustainable domestic energy provision. They also noted that there are numerous valuable project ideas in the field of producing fuel oils from vegetables and coconuts, and that these resources should be included in the considerations of the energy issue.
2. Participants recognized that waste (solid and sewage) represents a potential source of energy through the application of appropriate technological conversion systems (anaerobic fermentation and gasification). They noted with concern the negative impacts on marine ecosystem caused by the disposal of untreated waste, including the effects on coastal biodiversity. In this regard, they recommended that AOSIS Member States, in consultation with relevant regional institutions, organizations and donor countries, initiate a process aimed at identifying and acquiring the technology conversion systems to help meet their energy needs, and reduce environmental damage.

3. Participants, in highlighting the important linkages between energy services, economic development and global climate change, called for the development of a comprehensive process to review the energy sector of AOSIS Member States with a view to identifying those energy policies that are consistent with sustainable development principles and resources management, and which could serve as guidelines for all States.
4. Participants called on AOSIS Member States to take a more proactive role in the ninth session of the Commission on Sustainable Development in 2001, in an effort to ensure that consideration is given to the development of an energy-focused agenda. Such an agenda should be aimed at the implementation of renewable energy, new and alternative energy, and energy efficiency policies and projects, which would contribute significantly to the reduction of GHG emissions, reduce the amount spent on the importation of fossil fuels, thereby increasing the amount available for national economic development, and assist AOSIS Members States in achieving sustainable development. They also stressed the need for demonstration projects to be presented at the CSD.
5. Participants recognized that the regional institutions of learning have a significant role to play in assisting AOSIS Member States with the identification and acquisition of appropriate renewable energy technologies, and new and alternative energy technologies, as well as a supportive role in the implementation of renewable energy policies and projects. Participants also highlighted the need for focused information on renewable energy issues to be more readily available, and that in this regard SIDSNet could be approached for assistance.
6. Participants expressed support for the proposal of the use of Ocean Thermal Energy Conversion (OTEC) technology as an option for AOSIS Member States to provide energy services, potable water and raw materials for mariculture production. They welcomed the approval by the GEF Council of the recommendation of its scientific body, GEF STAP, that this option be included in the list of GEF-supported renewable energy technologies. In this regard, they commended the current GEF initiative aimed at the developing on a commercial scale, OTEC projects in the Caribbean and Pacific regions, and called on the World Bank-GEF and the project proposer to intensify their efforts to ensure speedy development of the projects.
7. Participants noted that the transportation sub-sector is the fastest growing source of GHG emissions, and urged AOSIS Member States to seek funding from the GEF for projects aimed at developing alternative means of transportation, with a priority on electric vehicles.
8. Participants welcomed the capacity building initiative by AOSIS to convene, with the assistance of the SIDS Unit of UNDESA and Professor Albert Binger of UWICED, a Workshop on Energy for Sustainable Development, to be held in Cyprus in January 2001. The Workshop is aimed at assisting AOSIS Member States in developing unified, coherent and pragmatic policy decisions that would be conducive to a more enlightened outcome of the ninth session of the United Nations Commission on Sustainable Development. The workshop should also begin to give direction to the needs for institutional strengthening within the AOSIS regions. Participants invited the Chairman of AOSIS, with the assistance of Professor Binger and the SIDS Unit of UNDESA, to begin preparations for the workshop.

9. Participants noted that the workshop should seek to highlight the linkages to all the vital sectors of the SIDS economies and to keep the social and human development aspects of energy questions in SIDS, including public education and awareness. The workshop should also seek to have demonstration projects presented to participants, and should seek to address investment risks and financial issues related to energy projects development, such as project formulation and implementation.
10. Participants endorsed the approach of commissioning specific, short, focused background papers identifying the latest developments, issues and options for AOSIS Member States, which will form the basis for the substantive part of the workshop. In this regard, they welcomed the coordinating/consulting role to be played by Prof. Binger, utilizing terms of reference to be developed in consultation with Chairman of AOSIS, in the preparation of the background papers and assisting with the organization of the workshop, in cooperation with the SIDS Unit of DESA and relevant organizations from the AOSIS regions. Prof. Binger was requested to provide a document that outlines the linkages between energy and the various sectors such as tourism, industry and agriculture, as well as the linkages to the sustainable development problems facing SIDS.
11. Participants requested the Chairman of AOSIS to seek the necessary financing from all sources, including through the use of any surpluses left over from the present workshop (and here the kind understanding of the Government of Italy was requested in order to facilitate, on a expedited basis, such a request), in order for work to commence immediately on the planning and execution of the Workshop, and to ensure adequate representation by AOSIS experts and negotiators in this the 3rd AOSIS Workshop.

ANNEX: MAIN FINDINGS OF THE WORKING GROUPS ON NATIONAL COMMUNICATIONS

PRIORITIES IN THE NATIONAL COMMUNICATION PROCESS

	ISSUE	DESIRED OUTCOME	PROPOSED ACTION
1.	Strengthen coordination and support mechanisms	- Functional and sustainable national climate change teams - Regional support mechanisms - Intra-regional networking	- Apply for GEF Top Up - Strengthen national policy and legislative frameworks - Initiative at regional governmental level - Technical information exchange and sharing
2.	Regional climate scenarios for V&A Assessments	- Use Global Circulation Models and other available scenario generators to simulate regional impacts of climate change	- Ensure decision at COP6
3.	Socio-economic and sector-specific modeling	- Ability to analyse evolution of socio-economic trends - Ability to analyse impact on specific sectors e.g. agriculture, water, tourism.	- Follow-up on NCSP initiative currently underway - Assess available models at national and regional levels for applicability - Develop new models where necessary with appropriate technical assistance e.g. NCSP, using sector specialists - Strengthen data collection systems to generate data required by models
4.	V&A capacity building	- Ability to conduct complete national V&A Assessments	- Training through NCSP and other relevant institutions

	ISSUE	DESIRED OUTCOME	PROPOSED ACTION
5.	Awareness and Education	- Availability of relevant materials for use at national and regional levels	- Access and assess available materials through inter-regional and intra-regional networking - Network and share materials, where appropriate - Develop indigenous material, preferably at a regional level
6.	"SIDS-Friendly" GHG Models	- Refining of IPCC GHG methodology re emission factors and scale of units used to report emissions	- Approach IPCC re refining scale of units re appropriateness for SIDS - Develop regional emission factors using regional expertise e.g. universities - Assess utility of emission factors and disseminate

What were the main benefits of the regional approach:

- Many issues were fairly well identified and addressed by the national communications process, but some areas were identified as having been given insufficient detail and coverage to adequately meet the needs of the country and the communities. While inventories were fairly complete, the scale of the tables confirmed that emissions were low, and hence not the real priority for the countries. V and A studies on the other hand could have been more detailed. While these were a good starting point, they did not include enough socio-economic issues, were not adequate on the different sectors, and were not sufficiently accurate to provide direction for future policy planning and projects development.
- The country teams have been able to discuss mutual problems, through discussions at workshops and email interaction.
- Has PICCAP resulted in the establishment of the appropriate structures at the national level to deal with climate change issues – it is a good beginning but the future direction leads to uncertainties. A lot has been achieved, but momentum must continue.

What were the main difficulties:

- PICCAP was not entirely designed by the region, and coordinators were brought in after the project was adopted. PICCAP has been modified over the three years, but remains an evolving learning process for all involved. If the present participants had designed PICCAP today, it would have been very different.
- Project profiles should have been developed within the national communications, but few were.
- Time constraints have been difficult, as well as capacity problems.
- Food security, agriculture and fisheries needs to be placed in the climate change context, and could have been given better coverage. This would also address the issue of overlap between the implementation of different conventions.
- Many sectors such as water resources management would probably be too site-specific for regional cooperation, while others such as agriculture may have enough similarities to allow regional projects.
- IPCC format is not too SIDS user friendly, and there may be scope to establish own format for SIDS.
- V and A guidelines under IPCC are not clear enough to allow major funding from the GEF to adaptation projects, and need to be get better and more concrete steps that can be implemented for SIDS right now.
- NGOs must be enabled to have access to the relevant climate change information, accessible in a manner and format that is comprehensible.
- Data must be available within the countries that require it, not just in data centers in the industrialized countries. Also regional organizations with data should be better at sharing this with interested SIDS.
- V and A and GHG training was too short for such complex issues.
- Regional and international institutions were not communicating adequately with each other, or with the country teams, and there were several competing influences on the PICCAP process.

What are the recommendations for improvement:

- Effectiveness of delivery of information and training to the grassroots level must be addressed, as well job security and continuity of the climate change teams. Personnel will require continuous updated training as international guidelines and reporting requirements are changed over time.
- Appropriate information and support to SIDS, through adequate supporting machinery, such as regional organizations, SIDSNet, UN agencies, etc., especially in highly technical areas.
- Adequate information and support to be able to establish projects in the identified priority areas.
- Information sharing with the other SIDS and between communities within SIDS.
- Implementation into the education system to allow for a fully integrated input to the human resource development.
- Need to move beyond the clarion call, but to actually get the attention towards other complimentary sustainable development in the SIDS.
- Lack of data to allow for a more meaningful use of the models, while at the same time there are few models actually usable for the SIDS context. The models should either be adapted or modified so that they can be of more practical use to SIDS. Cooperation with international experts and with other SIDS is needed.
- PICCAP has not produced any real projects as outcomes of the national communications process, and this must be addressed as a practical requirement for the next PICCAP phase. This could involve the country teams in the interim phase looking at the national communication and finding project opportunities to develop further.
- There is a need to increase political acceptance of the climate change priorities at the national level to ensure consistency and complementarity, and avoid counter-productive policy decisions. This would also enable countries to lobby the international community with a firmer resolve.
- The regional framework developed at Rarotonga and the suggested roundtable approach for its implementation and oversight could be integrated into an international supporting framework, using the expertise of other SIDS and organizations, and taking advantage of available financial support.
- Financial and technical support must be strengthened in the next round of PICCAP.



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Fifty-fifth session

Second Committee

Agenda item 102

Third United Nations Conference on the Least
Developed Countries

Letter dated 28 September 2000 from the Permanent Representative of Bangladesh to the United Nations addressed to the Secretary-General

I have the honour to transmit herewith the text of the declaration adopted by the tenth annual Ministerial Meeting of the Least Developed Countries, held at United Nations Headquarters on 18 September 2000 (see annex).

I would like to request that the present letter and its annex be issued as a document of the General Assembly, under agenda item 102.

(Signed) Anwarul Karim Chowdhury
Ambassador and Permanent Representative
of Bangladesh to the United Nations and
Coordinator of the Least Developed Countries



Annex to the letter dated 28 September 2000 from the Permanent Representative of Bangladesh to the United Nations addressed to the Secretary-General

Declaration adopted by the tenth annual Ministerial Meeting of the Least Developed Countries, held during the fifty-fifth session of the United Nations General Assembly

New York, 18 September 2000

We, the Ministers of the Least Developed Countries, having met at the United Nations headquarters during the 55th session of the General Assembly, on 18 September 2000,

Recalling the Ministerial Declaration adopted on 29 September 1999 during the fifty-fourth session of the General Assembly,

Also recalling the Declarations of the Least Developed Countries adopted during the WTO Ministerial meeting in Seattle and the South Summit in Havana on 29 November 1999 and 14 April 2000 respectively as well as the Communiqué by the Ministers of Trade of the Least Developed Countries adopted at UNCTAD X in Bangkok on 13th February 2000,

Stressing the importance of the Third UN Conference on LDCs (LDC III) to be held in Brussels from 14 to 24 May 2001,

Taking into account the outcome of the first session of the Preparatory Committee for the Third United Nations Conference on the Least Developed Countries (LDC-III),

Welcoming the adoption of the United Nations Millennium declaration by the Heads of State and Government during the Millennium Summit in New York,

Having assessed progress in the implementation of the Programme of Action for the Least Developed Countries for the 1990s, solemnly declare the following:

1. For LDCs, the 1990s has been a decade of continuing poverty and marginalization, while at the same time fundamental changes in the global economy resulting from globalization, liberalization and interdependence and the rapid advances in science and technology have engendered unprecedented increases in prosperity in developed countries. Against this background, it is a matter of grave concern that despite vigorous political and economic reform efforts, LDCs, as a group, were neither able to benefit meaningfully from these global trends and developments nor meet the goals of the Paris Programme of Action for the 1990s. It is quite telling that no LDC has been able to meet international targets set for 2000 by major recent global conferences. Globalization and liberalization has seriously challenged the capacity of LDCs to adjust to a new and more competitive international environment.

2. The Third United Nations Conference on the LDCs (LDC-III) provides the opportunity to redress the plight of the world's most vulnerable peoples by adopting a global new deal, as proposed by the Secretary-General of the United Nations at UNCTAD X, that brings to bear the fruits of human progress and knowledge, as well as the

required financial resources to the beneficial integration of the LDCs into the global economy. Socio-economic progress in LDCs cannot be achieved, without a genuine restoration of partnership between LDCs and their development partners, particularly the developed countries, on the basis of human solidarity and shared responsibility.

3. We reaffirm our commitment to pursue macro-economic and sectoral policies conducive to promoting growth and development and eradicating poverty in our countries. We underscore that the progress in economic transformation made by LDCs in the 1990s, albeit inadequate, has been primarily due to the wide-ranging reforms undertaken by our countries under most difficult domestic and external conditions. We note with grave concern that the numerous declarations, promises and commitments in favour of LDCs have, to a great extent, failed to be materialized. As a result, the benefits from national policy reforms and adjustment programmes adopted by LDCs themselves were not fully realized. In some cases, these even have had a negative impact. The situation has been aggravated further by adverse external circumstances facing LDCs. Nevertheless, we will continue to make efforts to create conditions for improved implementation of national policies and external support measures for economic growth and diversification, social progress, and sustainable development.

4. We welcome the United Nations Millennium Declaration adopted by the Heads of State and Government during the Millennium Summit in New York, in which they undertook to address the Special needs of Least Developed Countries, in particular, the call on industrialized countries to take specific actions in the areas of market access, debt relief and Official Development Assistance (ODA).

5. We welcome the timely actions by the Secretary-General of the Conference for the convening of the preparatory process with the participation of all stakeholders, including representatives from LDCs, of the first Intergovernmental Preparatory Committee (IPC) for the LDC-III meeting in New York from the 24 to 28 July 2000, and fully endorse its outcome. We note with appreciation the progress and the continuing efforts being made regarding preparations at the country, sub-regional and regional as well as the inter-agency levels. We call upon all parts of the UN system and other relevant international organizations to fully participate in the process of formulating the new Programme of Action and its implementation.

6. We note that there are numbers of pending issues to be considered during the preparatory process and that these can not be examined fully at the second preparatory session alone. We, therefore, support the recommendation of the first session of the Preparatory Committee to convene an additional meeting of the preparatory committee to consider the pending issues. We request the General Assembly to endorse this recommendation and urge the Assembly to make available adequate resources for the participation of representatives of Least Developed Countries at this additional meeting of the Preparatory Committee as well as at its final meeting in April 2001. In this regard, we urge the Assembly and the Secretary-General to make available adequate funding for convening this meeting.

7. We reiterate the need for the effective participation of the LDCs in the preparatory process and in the Conference itself and in this connection note with

concern the slow progress in the mobilization of resources to this end. We express our appreciation to the development partners who have provided resources towards LDC-III preparations, and call upon all bilateral and the multilateral development partners to provide the necessary resources to the Secretary-General of the Conference for this purpose.

8. We stress the importance of strengthening the linkages between the formulation and implementation of the new Programme of Action to be adopted at LDC-III and the activities related to the follow-up and implementation of the major United Nations conferences and summits held so far and to be convened in the future, including high-level international intergovernmental event of financing for development. We strongly underline that the mobilization of external resources for LDCs, particularly relating to ODA, debts, market access, FDI and the building of productive capacity should be at the forefront of the agenda of the Conference.

9. The effectiveness of LDC-III and its outcome in addressing the development concerns of the LDCs will critically depend on the quality of preparations, follow-up and implementation. In this regard, we strongly stress the need to provide adequate human capacity and financial resources to UNCTAD, as the focal point for these activities, through the provision of regular budget resources of the United Nations. It is deeply regrettable that the level of regular staff resources in UNCTAD for the secretariat unit for Least Developed Countries (LDCs), Landlocked Developing Countries (LLDCs), and Small Island Developing States (SIDS) was slashed from 39 to 16 during the 1990s, which has had serious deleterious effects on the monitoring and follow-up of the Paris Programme of Action for LDCs, as well as other internationally agreed programmes for LLDCs and SIDS. We, however, note with appreciation the interim measures undertaken by the Secretary-General in the context of the regular budget for the biennium 2000-2001, including the deployment of staff resources that were allocated by the 54th session of the General Assembly. In order to ensure continuity in the preparatory process and effectiveness of the follow-up and implementation of the outcome of LDC-III at the national, regional and global levels, we recommend that the 55th session of the General Assembly fully restore, at a minimum, the level of resources allocated to the secretariat unit for LDCs, LLDCs and SIDS by the 45th session of the General Assembly following the LDC-II in 1990, in keeping with the high priority accorded to LDCs.

10. We express our appreciation to the former Executive Secretary of the Third United Nations Conference on Least Developed Countries and Special Coordinator of the Division for LDCs, LLDCs and SIDS (*Ms. Anna Kajumulo Tibaijuka*) for her contribution in the preparations leading to LDC-III, and in this regard, urge that this role be filled as a matter of urgency and on a permanent basis in order to ensure continuity in the preparations for LDC III.

11. The review of the implementation of commitments undertaken in the Programme of Action for the 1990s is a major task before LDC-III. In particular, objective assessments need to be made as regards commitments in the areas of Official Development Assistance (ODA), debt, investment and trade, which have not been

implemented as agreed. Far from providing LDCs with substantially increased external financial resources – as committed under the Programme of Action – and meeting the agreed targets of ODA, donor assistance has fallen to historically low levels in recent years. The resulting shrinkage of resource availability was further aggravated by rising debt overhang and falling commodity prices. This, in turn, has immensely complicated the task of eradicating poverty in LDCs, which remain the poorest segment in the entire human society. The few donor countries, which have continued to give high priority to LDCs in their ODA allocation, and meet or exceed ODA targets, deserve our deep appreciation. In the absence of meaningful external private flows, increased availability of adequate and sustained levels of external official financial resources is critical to LDCs' own efforts to jump-start and sustain growth and development. We call upon development partners, in particular those who have not yet done so, to meet their commitments under the Programme of Action by substantially increasing the level of aggregate financial support to LDCs.

12. The heavy debt burden and debt-servicing obligations continue to have negative impact in social and economic development of LDCs and further undermine the ability of LDCs to mobilize external private flows. Without immediate debt cancellation, growth prospects and development of LDCs will continue to be bleak. In this regard, we commend the recent initiatives to significantly reduce debt of HIPC, the majority of whom are LDCs. We consider this to be an important step in the right direction, marking a clear improvement over the original HIPC framework. However, despite such efforts, substantial alleviation of LDCs' debt burden is yet not in sight. We reiterate our appeal to all creditor countries and institutions to expeditiously cancel all outstanding debt owed by all LDCs.

13. We also urge for urgent efforts to collectively improve the productive capacities and to address the supply-side constraints, including through the development of physical and institutional infrastructure and human resources and enhanced competitiveness, faced by LDCs in order to pave the way to sustained and sustainable development. In this regard, we continue to urge for the early and effective implementation of the Integrated Framework for Trade- Related Technical Assistance to LDCs.

14. In world trade, the marginalization of LDCs accelerated in the 1990s. Strengthening LDCs' capacity to fully and effectively participate in the multilateral trading system should be an important part of international efforts to integrate LDCs into the world economy. Accession of LDCs that are not yet members of WTO to that organization should be put on a simplified fast track to complete the process within one year of application. The special and differential measures in favour of LDCs should be rendered binding by making them an integral part of the rules and disciplines governing the multilateral trading system. We call for the immediate granting of bound, duty-free and quota- free market access for all products of LDCs by all their trading partners. We stress that in implementing existing multilateral trade agreements and in future negotiations, the international community should ensure that the obligations placed on LDCs are consistent with their level of development and capacity to carry out such obligations.

15. We note that the process of globalization and liberalization poses serious risks and challenges to the Least Developed Countries, especially the most vulnerable among them, and emphasise the importance of further improvements in the LDC criteria to make it reflective of structural weakness, impediments to human development, constraints to integration into the world economy, and vulnerability to environmental ecological changes and natural disasters, as called for by the General Assembly resolution 51/183 of 16 December 1996. We stress the need to give greater weight to economic vulnerability index (EVI) in determine qualification for graduation from LDC status and the necessity of examining the costs of graduation and other implications on the sustainability of development that would result from the exclusion from the list of LDCs. We urge that the question of graduation of any LDC should be deferred until the refinement of the criteria is completed. We call upon the LDC-III to review this matter.

16. The developing land-locked and Small Island Developing States are facing geographical constraints in transit-transportation aspects in integrating their economies with the international trading system. Following the previous UN conferences on LDCs, the specific transit-transport issues of land-locked LDCs should be adequately addressed in the preparatory process of the LDC-III. In this connection, we express full support to the convening of a Ministerial-level Meeting of the Land-locked and Transit Developing Countries and Representatives of Donor Countries and Financial and Development Institutions.

17. The growing number of humanitarian and environmental emergencies, natural disasters, and the onslaught of fatal diseases such as HIV/AIDS, malaria, tuberculosis and other communicable diseases have continued to ravage many LDCs. We stress that addressing these concerns should form an integral part of sustainable development plans of affected countries and communities. International cooperation to address emergency situations and strengthen the response capacity of these countries is of great importance. In certain cases, particularly in dealing with medical emergencies in LDCs, the implementation of agreed Intellectual Property Rights (IPR) regimes must be accomplished with a human face: LDCs should be given flexible, differential and supportive treatment under all IPR regimes. We call on bilateral, intergovernmental and non-governmental organizations to continue to make genuine contribution for supplementing national efforts in tackling humanitarian emergencies and natural disasters.

18. We recognize that information revolution is having a widespread impact on traditional economic and social relations. The technology gap between developed and developing countries, in particular the least developed, has become an important factor which is contributing to their increasing marginalization. Amid an exponential growth in the field of information and communication technology (ICT), the Least Developed Countries have remained at its periphery. Lack of infrastructure, lack of capital to invest in the rapidly evolving, and often costly technology, and lack of human resources and other capacity to absorb the highly technical and knowledge-intensive domain have left most of them lagging far behind in the ICT revolution. It is recognized that increased flow of information can improve peoples lives not only by its direct impact on productivity, but also through alleviation of poverty, playing a role in better education, health, nutrition, and timely management of disasters. The international community has

special role in bridging the digital divide and working for the right to universal access of information and knowledge as global public goods.

19. We express our appreciation to the Prime Minister of Bangladesh, Her Excellency Sheikh Hasina and to the Government for the continued leadership and coordination of the LDCs in various forums, and request the Prime Minister to continue to play this important role, including taking up with other Heads of State or Government and international institutions, issues relating to LDC III during the critical preparatory process.



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**Fifty-fifth session
Second Committee**

**Letter dated 19 September 2000 from the Chairman of the Fifth
Committee to the Chairman of the Second Committee**

I am writing with reference to the memorandum dated 31 August 2000 from the Secretary of the Fifth Committee to the Secretary of your Committee drawing attention to the recommendations of the Committee for Programme and Coordination regarding the medium-term plan for the period 2002-2005. A copy of that memorandum is attached for ease of reference.

In this connection, it is my sincere hope that your Committee will be able to consider the relevant chapters of the medium-term plan in time to allow the Fifth Committee to take into account the views of Member States on this matter.

I should like to take this opportunity to wish you every success during the session.

(Signed) Gert Rosenthal
Chairman, Fifth Committee



Annex

Memorandum dated 31 August 2000 from the Secretary of the Fifth Committee to the Secretary of the Second Committee

I am writing to bring to your attention the following recommendations made by the Committee for Programme and Coordination during its thirty-ninth session, which were endorsed by the General Assembly in paragraph 2 of its resolution 54/236 of 23 December 1999, entitled "Programme planning".

"The Committee recommended that the specialized intergovernmental bodies, as well as the Economic and Social Council and the Main Committees of the General Assembly, should include, in their programme of work, an agenda item on programme planning for the review of the proposed medium-term plan and its revisions. The Committee also recommended that the Fifth Committee receive all relevant comments prior to its consideration of the proposed medium-term plan and its revisions" (A/54/16, part I, para. 55).

At its recently held fortieth session, the Committee for Programme and Coordination reiterated that recommendation, as follows:

"The Committee reiterated its recommendations that the relevant intergovernmental bodies, as well as the Economic and Social Council and the Main Committees of the General Assembly, should include in their programme of work an agenda item on programme planning for the review of the proposed medium-term plan and its revisions" (A/55/16, part II, para. 88).

The reports of the Committee for Programme and Coordination are contained in documents A/55/16 (part I) and Corr.1 and 2 and A/55/16 (part II). The proposed medium-term plan for the period 2002-2005 is contained in document A/55/6 (Programmes 1-25). A list of the programmes is attached hereto for your convenience.

In this connection, I should be grateful if you could convey this matter to the members of the Bureau of your Committee, with a view to transmitting to the Fifth Committee by **25 October 2000** the results of the deliberations of your Committee on the review of the relevant programmes of the proposed medium-term plan for the period 2002-2005.

For your information, the Fifth Committee is expected to begin its consideration of the item on programme planning on Tuesday, 31 October.

**Proposed medium-term plan for the period 2002-2005
(A/55/6, introduction and programmes 1-25)**

Introduction

- Programme 1. Political affairs
 - Programme 2. Disarmament
 - Programme 3. Peacekeeping operations
 - Programme 4. Peaceful uses of outer space
 - Programme 5. Legal affairs
 - Programme 6. General Assembly and Economic and Social Council affairs and conference services
 - Programme 7. Economic and social affairs
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 - Programme 18. Economic and social development in Western Asia
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 - Programme 22. Palestine refugees
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 - Programme 24. Management and central support services
 - Programme 25. Internal oversight
-



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**Fifty-fifth session
Second Committee**

Agenda item 101

**High-level international intergovernmental
consideration of financing for development**

**Letter dated 4 October 2000 from the Permanent Representative
of Peru to the United Nations addressed to the Secretary-General**

I have the honour to forward herewith the communiqué of the sixty-fourth meeting of Ministers of the Intergovernmental Group of Twenty-four on International Monetary Affairs, held at Prague on 23 September 2000, under the chairmanship of Germán Suárez, President of the Central Reserve Bank of Peru (see annex).*

I request that you kindly circulate the above-mentioned communiqué as a document of the General Assembly, under agenda item 101.

(Signed) Jorge Valdez
Ambassador

Permanent Representative of Peru to the United Nations

* The annex is being circulated in the languages of submission only.



Annex to the letter dated 4 October 2000 from the Permanent Representative of Peru to the United Nations addressed to the Secretary-General

[Original: English and Spanish]

**INTERGOVERNMENTAL GROUP OF TWENTY-FOUR
ON INTERNATIONAL MONETARY AFFAIRS**

COMMUNIQUÉ

September 23, 2000

Ministers of the Intergovernmental Group of Twenty-Four on International Monetary Affairs held their sixty-fourth meeting in Prague, Czech Republic, on September 23, 2000. Mr. Carlos Saito, Special Adviser to the President of the Central Bank of Reserve of Peru, was in the chair with Joseph Sanusi of Nigeria as First Vice-Chairman, and Mr. Georges Corm of Lebanon as Second Vice-Chairman.

The meeting of the Ministers was preceded on September 22, 2000 by the seventy-sixth meeting of the Deputies of the Group of Twenty-Four, with Mr. Carlos Saito of Peru as Chairman.

* * *

A. Welcome to South Africa as a New Member

1. Ministers express their sincere welcome to South Africa on their entry into the Group. They look forward to the active and constructive participation of South Africa in the work of the Group.

B. World Economic Outlook

2. Ministers note the continuation of the general recovery following the recent financial crises that severely affected developing countries. They express concern, however, over the large and persistent current account imbalances and currency misalignments among the major economies. Ministers stress that any sudden correction of those imbalances or misalignments, if not appropriately addressed, will pose significant risks to the stability of financial and commodity markets, intensify protectionist tendencies, and inflict disproportionately larger and more enduring costs on developing countries. Ministers express concern about the large cyclical swings in the price of oil. The instability in oil prices, together with the deterioration in the terms of trade due to the decline in other commodity prices, has implications for the balance of payments of developing countries. They stress that oil price stability benefits both producing and consuming countries, and they express the hope that mutually supportive measures on the part of producer and consumer countries could be implemented that would contribute to oil market stabilization.

3. Given the fact that domestic policies of the major industrial countries have significant

structural policies among the three major economies in order to reduce the risks and uncertainties in the global economy. They consider this to be the principal line of defense in the prevention of global crises. Ministers consider that multilateral surveillance has not been fully effective in promoting the much-needed coherence of the macroeconomic policies of the major industrial countries. This contributes to large fluctuations and misalignments among the major international currencies. They express concern that developing countries are forced to bear the burden of adjustment of such large swings in the key currencies.

4. Ministers reiterate the importance of developing countries maintaining autonomy in the management of their capital accounts and in the choice of their exchange rate regimes. They consider that, in the rapidly evolving international environment, it is important to avoid extreme solutions for the economic problems faced by developing countries.

C. Impediments to Global Growth and Poverty Reduction

5. Ministers express concern that protectionist measures employed by industrial countries vis-à-vis developing countries impede global employment growth and poverty reduction opportunities. Average tariff levels applied to developing country exports by developed economies are four times higher than those applied to their peers. Furthermore, tariff and non-tariff trade barriers are especially significant in areas in which developing countries have a comparative advantage, including labor-intensive activities such as textiles and services, as well as agricultural products. These trade policy matters are of global systemic significance and should constitute an important component of multilateral surveillance in a symmetric manner. Ministers also call for rapid trade liberalization and elimination of distorting domestic subsidies by developed countries, in particular to promote growth and strengthen poverty reduction efforts in developing countries.

6. Ministers express concern about the slow progress in the financing of the enhanced HIPC Initiative, despite political expressions of intent by the G-7 and other industrial countries. The severe underfunding of the HIPC Trust Fund and the legislative delays in permitting the transfer of the remainder of the investment income from gold transactions to finance the IMF's share are indicative of the overall insufficient political support of the Initiative. Ministers stress that the funding of the multilateral component of the Initiative remains unresolved. Insufficient bilateral contributions will imply shifting the burden of mobilizing needed resources to other developing countries through an increase in lending charges or the diversion of poverty reduction efforts and development finance. They call on industrial countries to provide sufficient additional resources and to accelerate their disbursements to ensure that all eligible countries could benefit from debt relief. Ministers also expect that all donors' contributions to the enhanced HIPC Initiative will not compromise other concessional flows, such as IDA, PRGF, and ODA.

7. Ministers consider that the Initiative contains design flaws, such as the application of the Paris Club principle of comparability of treatment. This unreasonable expectation assumes that all other bilateral creditors, including developing countries and several HIPCs among them, should bear the same financial burden as the major industrial countries to support debt reduction operations. In this context, Ministers stress that particular attention should be given to providing financial support that allows the participation of those developing countries—including HIPCs—whose claims on other HIPCs represent a large proportion of their GDP and exports. In addition, they observe that a factor contributing to the slow pace

of implementation of the Initiative is the insistence on the receipt of all creditor contributions. In this regard, Ministers propose that the provision of debt relief should always take place once a critical mass of contributions has been achieved.

8. Ministers regret that the donor community has not effectively addressed the situation of deepening poverty, heavy economic costs, and debt burden in countries in conflict and post-conflict countries. They strongly urge the Bretton Woods Institutions (BWIs) to take serious steps to help these countries accelerate their transition to peace, reconstruction, economic stability, and the normalization of relations with the international community. Ministers also note that the post-conflict fund established by the World Bank in 1997 has yet to benefit African and other countries in a meaningful way.

9. Ministers note the additional flexibility that has been introduced in the process of preparing Poverty Reduction Strategy Papers (PRSPs) and Interim PRSPs. However, they stress that, for the process to be successful, substantially more technical assistance will be required to improve the capacity of members to prepare suitable PRSPs, as well as to implement the commitments made in PRSPs.

10. Ministers note the intention to streamline IMF conditionality in PRGF-supported programs in order to better focus the IMF's role in the core areas of its mandate. They stress the importance of initiating this streamlining process with immediate effects for all new PRGF-supported programs. In the interest of preserving uniformity of treatment among members, they suggest that a review be conducted of all current PRGF-supported programs with a view to reviewing and streamlining the structural conditionalities in these programs in line with the new approach being proposed by the Bank and the Fund. Ministers propose that the joint staffs of the two institutions prepare a progress report for the 2001 spring meetings, identifying progress in streamlining PRGF conditionality and establishing the Bank's Poverty Reduction Support Credit facility.

D. Evolving Role of the IMF and the World Bank Group

11. Ministers take note of the joint statement of the IMF Managing Director and the World Bank President that defines their vision for the respective institutions. They welcome the efforts being made by them to move away from micro-management in their conditionalities to emphasize country ownership and to invoke a more participatory approach. Ministers encourage them to resist non-economic considerations in their decision making, and they welcome the commitment of the World Bank to respond more expeditiously to the needs of member countries. Ministers note, however, that the vision presented by the Managing Director and the President is based on a world economy dominated by private capital flows. In this context, they stress that for a large number of developing countries, access to private capital markets is either costly, very limited, or unavailable. Moreover, even for countries with large access, capital flows could be volatile and destabilizing. Ministers consider that these international financial institutions should strive to ensure that the globalization process benefits all member countries through more evenly shared prosperity.

12. Ministers agree that the Fund, in collaboration with the World Bank, must focus on systemic issues relating to the functioning of financial markets. However, this priority should not replace or undermine the IMF's obligations in terms of its traditional responsibility to stand ready to support balance of payments adjustment of all its members, including the poorest among them. Ministers note with regret the significant decline in the

World Bank's lending commitments. They also regret the pressure for raising lending charges in the Bank in order to increase net income. They stress that shifting the burden of helping the poorest countries to those relatively less poor should be avoided.

13. Ministers welcome the World Bank's partnership with other multilateral institutions and donors in the provision and financing of global public goods, such as combating communicable diseases and sharing knowledge. They stress that the Bank's resources are limited and financing for these initiatives should be done on the basis of equitable burdensharing. Ministers are concerned that such insufficiently funded new initiatives might crowd out traditional Bank activities and add to pressures for higher loan charges.

E. International Standards and Codes

14. Ministers recognize the positive aspects of the development of international codes, standards, and best practices in the spheres of data dissemination, fiscal transparency and transparency in monetary and financial policies, and the management of debt as well as reserves. However, they note that the participation of developing countries in discussions on the development of these standards and codes has been limited, and they call for a more inclusive process. Ministers continue to underline the voluntary nature of implementing such codes and standards, taking into account the particular institutional capacities and stage of development of each country. They also stress the importance of the availability of appropriate technical assistance where needed. Ministers find the application of codes and standards to be highly asymmetric. Standards in the area of transparency are being pressed upon developing countries without a commensurate application of corresponding obligations for disclosure by financial institutions, including currently unregulated highly-leveraged institutions. Ministers would insist that any monitoring of standards and codes within the corresponding competencies of the BWIs should be done on a strictly symmetric basis. Moreover, compliance with such standards and codes should not be prematurely integrated into the Article IV consultation process and must not become a condition for use of IMF resources.

F. Governance of the Bretton Woods Institutions

15. Ministers express concern about the ever-mounting political pressures and non-economic considerations that are interfering with the process of approval and implementation of the BWIs' programs and projects. These pressures and considerations are severely restricting the BWIs' ability to fulfill their mandate. Ministers urge the BWIs to adhere strictly to the relevant provisions in their mandates as stated in their respective Articles of Agreement.

16. Ministers welcome the decision taken by the Executive Board of the IMF on the establishment of an Independent Evaluation Office, and they look forward to its significant contribution to enhancing the effectiveness, transparency, and accountability of the institution.

17. Ministers welcome the formation, in response to the request in the G-24 April 2000 communiqué, of Executive Board working groups in the BWIs to review the selection process of the Managing Director of the IMF and the President of the World Bank. They consider transparency of the selection process, the full involvement of all shareholders in that process, and the selection on the basis of merit to be vital components of the reform of

the BWIs. Ministers look forward to the presentation of the final reports of the two working groups at the spring 2001 meetings.

18. Ministers welcome the ongoing discussion of a whole range of complex issues relating to the role, structure, and context of the Fund's quota formulae. They hope that these discussions will lead to a more balanced distribution of quotas between industrial and developing economies and the provision of a larger voice for developing economies in the decision making process of the Fund. They also reiterate their support for a revision of the size of the basic votes.

G. Facilities of the Bretton Woods Institutions

19. Ministers note the intensive efforts currently underway for reforming IMF facilities and hope that the latest decisions of the IMF's Executive Board—especially the elements relating to making the Contingent Credit Line (CCL) more attractive—would constitute an important improvement in the operation of the facilities. They note, in particular, that the preventative character of the CCL has been considerably strengthened by the proposed greater automaticity of its activation by countries faced with contagion. Ministers also welcome the increased incentives that the CCL could provide to eligible countries to maintain good policies. They urge the international community to support the early eligibility of interested members. Ministers underscore the following imperatives in the future evolution of the IMF's various facilities. First, there should be sufficient flexibility in the administration of the facilities to meet the diverse requirements of the IMF's heterogeneous membership, given their different stages of development and the variety of shocks affecting them. In this context, Ministers propose that, should the present level of oil prices be sustained, access under the Compensatory Financing Facility and the PRGF should be more flexible. Second, changes in the facilities must not jeopardize the fundamental cooperative character of the IMF. Third, IMF financing should be complementary to borrowing from capital markets rather than a substitute, in view of the fact that structural reforms take relatively longer to formulate, implement, and bear fruit, depending on the country's degree of integration into the global economy.

20. Ministers note that surcharges adopted in the latest IMF decision on credit outstanding above a threshold level would not be changed for at least four years. They, however, view that further increases in charges would not be desirable for the foreseeable future.

21. Ministers welcome the work underway in the World Bank to better customize its response to the specific conditions of different groups of clients and in light of the evolution of the world economy. They look forward to the deliberations on the proposed Poverty Reduction Support Credit and the Development Support Loan. Ministers also note the intention to review the framework of adjustment lending with a view to introducing a new approach to adjustment lending that would focus more on social, structural, and institutional reforms. They expect that this will support countries' programs with minimal conditionalities.

H. Proposals to the International Community

22. Ministers propose that the Fund deepen its studies of proposals for engaging, in a case-by-case manner, the private sector in the resolution of financial crises, including the development at the international level of equitable procedures for debt settlement as

already exist at national levels.

23. Ministers re-iterate their support for the study of a systemic emergency facility that could decisively underpin confidence in the international system when confronting extremely severe market crises. In this regard, Ministers recall proposals for the IMF to be authorized in the event of a systemic liquidity crises to provide, through the temporary creation of SDRs, additional liquidity as needed—and to withdraw it when the need has passed. Ministers reiterate their call for a study of this matter and propose its discussion at the autumn 2001 International Monetary and Financial Committee meeting.

24. Ministers reiterate their call for all Fund members to ratify the Fourth Amendment on the equity allocation of SDRs as soon as possible.

25. Ministers are deeply concerned with the growing cost for members borrowing from the World Bank. In addition to the progressive increase in loan charges, the growing economic and financial cost for complying with safeguard policies and fiduciary requirements, and unrealistic standards and technical requirements, are placing a significant burden on borrowing countries. Ministers look forward to the completion of the work of the Bank's task force on the trend of overall borrowing costs and its bearing on the sharp decline in lending commitments, and propose its discussion at the spring 2001 Development Committee meeting.

26. Ministers welcome the progress being made in the Financing for Development process at the United Nations, and they call upon the Bank and the Fund to continue their support for the process.

I. Note of Appreciation

27. Ministers express their gratitude for the invitation and hospitality provided by the Czech authorities, and they thank them for the excellent arrangements made for the meetings.

J. Date and Place of Next Meeting

28. The G-24 Ministers will meet again on April 28, 2001 in Washington, D.C.

LIST OF PARTICIPANTS¹ INTERGOVERNMENTAL GROUP OF TWENTY-FOUR ON INTERNATIONAL MONETARY AFFAIRS SIXTY-FOURTH MEETING OF MINISTERS

Prague, Czech Republic, September 23, 2000

African Group: A. Benachenhou, Algeria; M.N. Mawampanga, Congo; Yao Kouane, Côte d'Ivoire; Ismail Hassan Mohamed, Egypt; Teklewold Atnafu, Ethiopia; Anidzembe Philibert, Gabon; Ernest Ako-Adjei, Ghana; Ernest C. Ebi, Nigeria; Timothy T. Thahane, South Africa.

Asian Group: Bimal Jalan, India; Mohsen Noorbakhsh, Islamic Republic of Iran; Jihad Azour, Lebanon; Shaukat Aziz, Pakistan; F.E.R. Alfiler, Philippines; W.A. Wijewardena, Sri Lanka; Mohammad Bachar Kabbarah, Syrian Arab Republic.

Latin American Group: G. Zoccali, Argentina; Marcos de Paiva, Brazil; Luis Bernardo Florez, Colombia; Lizardo A. Sosal, Guatemala; Agustin Garcia-López, Mexico; Ivan Rivera, Peru; Brian Kuei Tung, Trinidad and Tobago; Angel Ruocco, Venezuela.

Observers: Xianglong Dai, People's Republic of China; Mohammed Dairi, Morocco; Hamad S. Albarai, Saudi Arabia.

Special Guests: Horst Köhler, International Monetary Fund; James Wolfensohn, World Bank; Yashwant Sinha, Development Committee; Ian Kinniburgh, United Nations; Yilmaz Akyüz, United Nations Conference on Trade and Development; María Angelica Ducci, International Labor Organization; William Larralde, G-24 Liaison Office; Dani Rodrik, G-24 Research Coordinator; Y. Seyyid Abdulai, OPEC Fund for International Development; Eduardo Mayobre, SELA; Lamine Doghri, Islamic Development Bank; Mourad Ahmia, Group of 77.

Executive Directors and Alternates

International Monetary Fund: Vijay Kelkar, Roberto Junguito, Abbas Mirakhor, Hernan Oyarzabal, Shakour Shaalan, Samba Thiam, Benhua Wei.

World Bank: Khalid Alsaad, Inaamul Haque, B.P. Singh, Xian Zhu.

* * *

G-24 Secretariat: Patrick Cirillo, Brenda Campbell.

¹Persons who sat at the discussion table.



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Agenda item 92
Macroeconomic policy questions

**Note verbale dated 10 October 2000 from the Permanent
Mission of Lebanon to the United Nations addressed to
the Secretary-General**

The Permanent Mission of Lebanon to the United Nations presents its compliments to the Secretary-General of the United Nations and has the honour to enclose herewith a document entitled "World business message for the United Nations Millennium Assembly on the role of the United Nations in the twenty-first century" (see annex).

The Permanent Mission of Lebanon requests that you kindly circulate the enclosed document as a document of the General Assembly, under agenda item 92.



Annex to the note verbale dated 10 October 2000 from the Permanent Mission of Lebanon to the United Nations addressed to the Secretary-General

World business message for the United Nations Millennium Assembly on the role of the United Nations in the twenty-first century

The International Chamber of Commerce (ICC), the world business organization, is the only representative body that speaks with authority on behalf of enterprises from all sectors in every part of the world.

Within a year of the creation of the United Nations, ICC was granted consultative status at the highest level with the organization. However, during most of the ensuing half century its working relationship with the organization was largely constrained by the ideological divisions of the cold war and a widespread attitude among UN members of suspicion and even hostility towards private enterprise.

Recent years have witnessed greater recognition of the central role of the private sector in a market economy and the important contribution that entrepreneurial initiative makes to economic development and social progress worldwide. This in turn has led to a substantial re-evaluation of the UN/business relationship and a much broader joint work programme, given impetus by the high-level meetings between ICC leaders headed by ICC President Adnan Kassar and senior UN officials headed by Secretary-General Kofi Annan in February 1998 and July 1999.

The joint statements by the UN Secretary-General and the International Chamber of Commerce (see annexes I and II) adopted at these meetings re-affirmed the great potential for the goals of the United Nations – promoting peace and development – and the goals of business – creating wealth and prosperity – to be mutually supportive.

To further these mutually supportive goals, business considers it essential that the UN take a lead in the following areas:

1. **First and foremost, promote peace and security as the essential foundations of productive economic activity**

Crucial to enabling the benefits of globalization to spread to all mankind is the maintenance of peaceful conditions between and within sovereign states. The absence of armed conflict is a precondition for local entrepreneurship to flourish and for foreign business to invest.

2. Continue its efforts to encourage concepts of good governance within countries

Increased reliance on free enterprise, open markets and competition implies less detailed governmental regulation. At the same time, an orderly, stable society able to prosper economically from private entrepreneurship requires a framework of essential rules administered by strong, efficient, transparent and impartial government, the essence of good governance.

3. Work for an environment that accords a central role to competitive markets and entrepreneurial initiative in creating growth and development

Entrepreneurial initiative to satisfy consumers within a competitive market place is a key ingredient of the process of economic development. Governments have a crucial role to play in maintaining competitive conditions and in ensuring that successful entrepreneurship is positively recognized and rewarded.

4. Strengthen global support for a rules-based open system of international trade and investment, while opposing all forms of protectionism

The free flow across borders of goods and services, investment, know-how, technology and information remains a priority. The ICC stands ready to work closely with the UN in the task of demonstrating the crucial links between such flows and development.

However, freedom can only work within rules, and the same holds true for markets. A balance between freedom and rules needs to be achieved for the good functioning of the world economy.

5. Enhance the capacity of developing countries, particularly the least developed, and economies in transition to integrate themselves into the global economy and share in the benefits of globalization

One of the more worrying and potentially disrupting aspects of the process of growing global interdependence is the gap between countries that have successfully integrated into and benefit from a liberalized, competitive global economy and those that have only partially been able to do so or have largely failed for one reason or another to make significant progress in this regard. To reduce this gap will be one of the major challenges of the new century.

Business and rule-setters must respond to the most important challenge of today, the emergence of the global knowledge economy and the opportunities it offers in spreading more widely the benefits of globalization.

6. **Give special attention to capacity-building in least developed countries, particularly as regards human resources development, physical infrastructure and institutional reform, to assist them raise and attract investment and to link themselves into the global information society**

With the rapidly growing international flows of private capital, the UN and multilateral development agencies should increasingly focus their technical and financial assistance, and especially their concessionary aid, on helping the least developed countries, which have particular difficulties in attracting foreign direct investment.

7. **Continue the development of legal and technical norms crucial to the efficient and orderly functioning of an international economic system**

With a rapidly globalizing market place, ICC urges the UN to develop internationally accepted legal and technical norms to facilitate cross-border economic transactions, when necessary to complement those initiated by business itself.

8. **Give a lead to global action to ensure the protection and conservation of international "public goods" in such areas as the oceans, the atmosphere, water, biodiversity, and public health**

Currently, too much duplication and inadequate coordination are preventing intergovernmental bodies from handling effectively these complex problems. Truly global problems cannot be resolved by isolated national or regional efforts.

9. **Make the UN and its relevant agencies and programmes the recognized global institutions for promoting human rights and raising environmental and labour standards – the core values advocated by the UN Secretary-General in his Global Compact with business**

History has shown that improvements in human rights and in labour and environmental standards are more readily attainable in conditions of rising prosperity, produced by the interaction of the market economy and good governance. Strong commitment to open markets and the effective treatment of these issues are mutually reinforcing and should go hand in hand.

The multilateral trading system should not be called upon to deal with such non-trade issues as human rights, labour standards and environmental protection. To call on it to do so would expose the trading system to great strain and the risk of increased protectionism while failing to produce the required results. The right place for addressing these issues is the UN and its appropriate agencies.

- 10. To achieve these ends, the effectiveness and authority of the UN should be strengthened by enlarging its resource base and, at the same time, streamlining its internal organization to achieve better coherence and coordination**

World business recognizes the need for the UN to have sufficient resources and authority to tackle effectively the complex and often inter-related global problems of today, while urging further streamlining as part of the institutional reforms being undertaken by the UN system to tackle bureaucracy and the duplication of tasks. In this respect, the UN should assume responsibility for coordinating international decision-making more efficiently. There is a particular need for the UN to provide a strong single focal point on environmental issues, which have important linkages to the work of a host of other intergovernmental organizations.

On many issues of global concern, decision-making must now become global, with business involved in a meaningful policy dialogue. Today, cooperation between the UN system and ICC is well established. Business has taken on the challenge of the Global Compact launched by Secretary-General Kofi Annan to promote universally shared values in the areas of human rights, labour standards and environmental protection.

The ICC looks forward to working with the UN to further develop this synergy in the new century for the benefit of people everywhere. Given the appropriate enabling environment, business expects that it will be able to play its full part in advancing sustainable development, creating jobs and improving standards of living around the world.

ANNEX I

Cooperation between the United Nations and Business

Joint statement on common interests by the Secretary-General of the United Nations and the International Chamber of Commerce

On 9 February 1998, the Secretary-General of the United Nations met with representatives of the International Chamber of Commerce (ICC) to further the dialogue between the United Nations and the private sector. Representatives of more than 25 businesses from all regions of the world took part, along with Secretariat officials and, as observers, representatives of several United Nations Member States in their capacities as heads or members of intergovernmental bodies.

At the end of the meeting, the Secretary-General and ICC issued the following joint statement:

1. Broad political and economic changes have opened up new opportunities for dialogue and cooperation between the United Nations and the private sector. Such a partnership could give new impetus to the pursuit of a more prosperous and peaceful world.
2. There is great potential for the goals of the United Nations - promoting peace and development - and the goals of business - creating wealth and prosperity - to be mutually supportive. Development and peace are essential for trade and investment to occur and for business to grow. At the same time, thriving markets are a precondition for creating jobs, improving standards of living, spreading more widely the benefits of globalization and integrating developing countries into the world economy.
3. Achieving these goals depends greatly on the effective functioning of the global marketplace and on the existence of open, equitable, inclusive economic systems based on the free flow of trade, investment for economic growth and development and the avoidance of protectionist measures.
4. Growing economic interdependence among nations underscores the importance of supportive institutional frameworks. Business has a strong interest in multilateral cooperation, including standard-setting through the United Nations and other intergovernmental institutions and international conventions on the environment and other global and transborder issues.

5. The United Nations and the business community should work jointly to expand economic opportunities, especially in countries which may face marginalization. Ultimately, the promotion of development can succeed only if it leads to a situation in which investment sustains broadly based growth. In this regard, special attention must be given to the needs of African and the least developed countries.
6. Cooperation at the country level is largely about preparing the ground for business to invest on a scale and in a manner conducive to sustainable growth and development. Efforts by the international community to promote appropriate policies and good governance, to strengthen institutions and infrastructures, to eradicate poverty and to develop human resources are critical to the creation of a business-friendly environment. Taking into account the experience of business and drawing on its skills and resources can significantly enhance these efforts. Business is well aware that it must be a responsible partner in the social order in which it operates.
7. Further dialogue between the United Nations and the private sector should focus on articulating common interests, intensifying the search for partnerships and translating the potential of cooperation into concrete action. In particular, the business community should strengthen its dialogue with the relevant intergovernmental institutions and bodies, particularly the United Nations, including its organs such as the General Assembly and Economic and Social Council.

United Nations Headquarters
New York

ANNEX II

**Joint Statement on the Global Compact
proposed by the Secretary-General of the United Nations**

Geneva, 5 July 1999

The Secretary-General of the United Nations, Kofi Annan, accompanied by senior UN officials, met today with the President of the International Chamber of Commerce, Adnan Kassir, and other ICC representatives to continue the dialogue the two organizations began in February 1998. The International Organization of Employers also participated.

1. The two sides reaffirmed that there is great potential for the goals of the United Nations – peace and development – and the goals of business – wealth creation and prosperity – to be mutually supportive.
2. The business leaders welcomed the UN Secretary-General's call for a Global Compact between the UN and the private sector to promote human rights, improve labour conditions and protect the environment. The business leaders expressed their readiness to cooperate with the United Nations in this common endeavour.
3. It was further noted that a stronger private sector worldwide, and particularly the positive impact of foreign direct investment, are already making an effective contribution to the attainment of UN goals. Both sides saw the Global Compact as reinforcing the collaborative partnership between the UN and ICC that is now well established.
4. The participants agreed with the UN Secretary-General's view that companies can best promote human rights and improved labour and environmental standards by the way they conduct their own businesses and by the spread of good corporate practices. By setting themselves high standards in these fields, they exercise a positive influence in their immediate environment and among customers, suppliers and business associates. By creating wealth and jobs, companies help to defeat poverty – the enemy of the humanitarian values espoused by the United Nations and shared by business. At the same time, companies cannot be expected to take on responsibilities outside their own sphere of activity that are properly the preserve of governments.
5. The participants recognized that the capability of companies to create wealth and to meet their responsibilities to their customers, employees and shareholders is indispensable to fulfilling the compact.

6. The participants agreed that the recent crisis in emerging markets underlined the importance of closer cooperation, not only among governments, but also among governments, business and civil society.
7. It was agreed that global markets require global rules. The aim should be to enable the benefits of globalization increasingly to spread to all people by building an effective framework of multilateral rules for a world economy that is being transformed by the globalization of markets. Business expertise is necessary to help governments to find the right balance between the freedom that allows the private sector to create wealth and employment, and rules that provide a background of economic stability and social cohesion.
8. The participants stressed the importance of a multilateral and integrated approach to dealing with complex and often interrelated consequences of globalization, among them the stability of financial markets. Such an approach is especially necessary for defining standards and rules to meet rapidly changing business conditions arising from global economic and financial integration and the worldwide spread of technological innovation. The business representatives expressed strong support for the work being done in this field by the United Nations and other major intergovernmental organizations.
9. The participants stressed the importance of the forthcoming Third Ministerial Conference of the World Trade Organization as an opportunity for its member governments to launch a new trade round. They considered that the early and successful conclusion of a new round would contribute to reinforcing the economic momentum generated by liberalization and to building a stronger rules-based multilateral trading system.
10. The participants recognized that, as history shows, improvements in human rights and in labour and environmental standards are more readily attainable in conditions of rising prosperity, produced by the interaction of the market economy and good governance.
11. There was agreement that a renewed commitment to open markets and the effective treatment of labour issues, human rights questions and the protection of the environment are mutually reinforcing and should go hand in hand. However, the rules-based multilateral trading system was not designed to address these non-trade issues. To call on it to do so would expose the trading system to great strain and the risk of increased protectionism while failing to produce the desired results.
12. The participants agreed that the UN, and especially those agencies that are charged with addressing environmental, human rights and labour issues, is the right place for dealing with them. Enhancing the authority, effectiveness and resource base of these UN bodies is the most productive way forward. Advancing universally shared values would help to safeguard open markets and provide a strong underpinning for the process of globalization.

13. The two sides noted with satisfaction the work already undertaken by ICC and UN Conference on Trade and Development to promote foreign direct investment in least developed countries. They look forward to further joint initiatives to encourage growth of the private sector and promote development in these countries.

14. The UN and business representatives agreed that a continued cooperative partnership between the UN and the private sector would do much to spread the benefits of globalization. Working together to promote human rights and raise labour and environmental standards will help create the conditions in which the UN's ideals can be realized and business can make its full contribution to sustainable global prosperity.



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Macroeconomic policy questions

Sustainable development and international economic cooperation

Globalization and interdependence

Letter dated 19 October 2000 from the Permanent Representatives of Belarus, Kazakhstan, Kyrgyzstan, the Russian Federation and Tajikistan to the United Nations addressed to the Secretary-General

We have the honour to transmit herewith the text of a statement by the heads of State of the Republic of Belarus, the Republic of Kazakhstan, the Kyrgyz Republic, the Russian Federation and the Republic of Tajikistan concerning the establishment of the Eurasian Economic Community, adopted on 10 October 2000 in the city of Astana, Republic of Kazakhstan (see annex).

We should be grateful if you would have the text of this letter and its annex circulated as a document of the fifty-fifth session of General Assembly, under agenda items 92, 94 and 100.

(Signed) S. S. Ling

Ambassador, Permanent Representative of the
Republic of Belarus to the United Nations

(Signed) M. B. Jarbussynova

Ambassador, Permanent Representative of the
Republic of Kazakhstan to the United Nations

(Signed) E. S. Ibraimova

Ambassador, Permanent Representative of the
Kyrgyz Republic to the United Nations

(Signed) S. V. Lavrov

Ambassador, Permanent Representative of the
Russian Federation to the United Nations

(Signed) R. K. Alimov

Ambassador, Permanent Representative of the
Republic of Tajikistan to the United Nations



Annex to the letter dated 19 October 2000 from the Permanent Representatives of Belarus, Kazakhstan, Kyrgyzstan, the Russian Federation and Tajikistan to the United Nations addressed to the Secretary-General

Statement by the heads of State of the Republic of Belarus, the Republic of Kazakhstan, the Kyrgyz Republic, the Russian Federation and the Republic of Tajikistan concerning the establishment of the Eurasian Economic Community

We, the heads of State of the Republic of Belarus, the Republic of Kazakhstan, the Kyrgyz Republic, the Russian Federation and the Republic of Tajikistan, announce the establishment of an international organization, the "Eurasian Economic Community".

This step is a demonstration of the united political will of the leaders of the five States to move even more resolutely along the path of wide-ranging mutual cooperation with a view to achieving true integration.

The cooperation of our countries in the trade and economic sphere has already reached the stage where tariff and quantitative restrictions in mutual trade have been repealed, common customs tariffs have been introduced for most categories of goods, coordinated measures of non-tariff regulation are being implemented, common trade regimes are being set up in relation to third countries and the establishment of a single customs territory has begun. In addition, a number of specific joint steps have been taken in the humanitarian sphere, which are making it possible to meet more fully the needs of the nationals of our countries in the areas of education, culture, health care and the protection of social rights.

At the same time, there is a need for the closer alignment and unification of national legislation and the implementation of measures aimed at increasing the combined economic potential of our countries and enhancing the coordinated structural reorganization of their economies.

The logic of the progress of the five States towards the objectives laid down in the agreements which they have signed — the completion of the formation of a customs union and the establishment of a single economic space — requires new forms and mechanisms of cooperation. It is these objectives which the Community is designed to serve.

The activities of the Community will aim, in particular, to meet the following goals:

(a) In the sphere of foreign trade and customs policy:

To complete the establishment of a full-scale free trade regime and the formation of a single customs tariff and a single system of measures for non-tariff regulation.

To introduce a coordinated system of preferences.

To establish common rules for trade in goods and services and their access to domestic markets.

To formulate a coordinated position of the States members in relations with the World Trade Organization and other international economic organizations.

To introduce a unified system for currency regulation and currency control.

To establish a mechanism for the effective operation of payments and settlements systems.

To establish a common unified system of customs regulation, within which unified rules of customs registration and customs control are in operation and single customs regimes are applied.

To ensure economic security on the external borders of the Community and the control of smuggling and other types of customs violations.

To strengthen and reorganize the external borders of the Community.

(b) In the sphere of economic policy:

To carry out a coordinated structural reorganization of economies.

To formulate and implement joint socio-economic development programmes.

To establish a common payments system.

To ensure the coordination of currency and financial systems.

To establish equal conditions for industrial and business activity.

To set up a common market for transport services and a single transport system.

To set up a common energy market.

To organize joint research and development in priority areas of science and technology.

To establish equal conditions for the access of foreign investments to the markets of the parties.

To establish a unified system for the legal regulation, formation and activities of financial and industrial groups on a multilateral and bilateral basis.

(c) In the social and humanitarian sphere:

To harmonize national systems of education and the development of science and culture.

To harmonize national systems for ensuring minimum social standards.

To provide equal rights to nationals of States members of the Community in receiving education and medical care throughout its territory.

(d) In the legal sphere:

To align and harmonize national legislation.

To establish a mechanism for coordinating the adoption of national legislative and other regulatory instruments of member States on issues affecting the obligations of the parties within the framework of the Community.

To synchronize the time limits for the completion of internal formalities for treaties concluded within the framework of the Community.

To ensure the cooperation of the legal systems of the States parties with a view to establishing a common legal space within the Community.

We, the heads of the five States, express our conviction that the efforts which are being undertaken to further intensify cooperation in the economic and humanitarian spheres will be supported by our peoples and will contribute to accelerating the rates of economic development of our countries.

(Signed) Alyaksandr Lukashenka
President of the Republic of Belarus

(Signed) Nursultan A. Nazarbaev
President of the Republic of Kazakhstan

(Signed) A. Akayev
President of the Kyrgyz Republic

(Signed) Vladimir V. Putin
President of the Russian Federation

(Signed) Emomali Rakhmonov
President of the Republic of Tajikistan



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economic cooperation

Operational activities for development

Globalization and interdependence

Letter dated 24 October 2000 from the Permanent Representative of China to the United Nations addressed to the Secretary-General

The Forum on China-Africa Cooperation-Ministerial Conference 2000 was held in Beijing from 10 to 12 October 2000. At the Conference, the attached documents, the Beijing Declaration of the Forum on China-Africa Cooperation (see annex I) and the Programme for China-Africa Cooperation in Economic and Social Development (see annex II), were adopted. At the request of most of the participating countries, I have the honour to request that the present letter and its annex be circulated as a document of the fifty-fifth session of the General Assembly, under agenda items 92, 94, 96 and 100.

(Signed) Wang Yingfan
Ambassador



Annex I to the letter dated 24 October 2000 from the Permanent Representative of China to the United Nations addressed to the Secretary-General

Beijing Declaration of the Forum on China-Africa Co-operation

We, the ministers in charge of foreign affairs, foreign trade and international co-operation, economic or social affairs from China and African countries, met in Beijing from 10 to 12 October 2000 for the Forum on China-Africa Co-operation-Ministerial Conference 2000, the first gathering of its kind in the history of China-Africa relations.

We had an extensive exchange of views on international affairs and the state of relations between China and African countries. We agree that the China-Africa Cooperation Forum is a framework for collective dialogue between China and African countries on the basis of equality and mutual benefit and that to seek peace and development is our common objective.

We realise that at the dawn of a new century, there still exist serious destabilising factors in the world and a huge gap between the rich North and the poor South and that peace and development are far from being fully realised.

We reaffirm that the injustice and inequality in the current international system are incompatible with the trend of the times towards world peace and development, hinder the development of the countries of the South and pose threats to international peace and security. We stress that the establishment of a just and equitable new international political and economic order is indispensable for the democratisation of international relations and for the effective participation of developing countries in the international process of decision-making.

We believe that it is of vital importance to world peace and security to carry out general and complete disarmament and prohibition of all weapons of mass destruction.

We note that globalisation makes all economies more inter-dependent, but it benefits developed countries more while putting most developing countries, especially small and vulnerable economies and the least developed countries in Africa, at a disadvantage and subjecting their economic security or even state sovereignty to severe challenges.

We recall the courageous struggle waged by African countries and people

for independence and their commendable post-independence efforts for the growth of their national economy and note that African countries and the African continent as a whole are still faced with many difficulties and challenges in their process of development.

We note, with grave concern, that efforts over the years have failed to bring about political, economic and social stability in some African countries and stress that economic and social factors are at the root of political instability, social tensions and frequent conflicts in Africa. Moreover, the scourge of HIV/AIDS, malaria, TB and other communicable diseases is taking a heavy toll on the human and economic resources of African countries, and the aggravated poverty is seriously hindering the development of Africa.

We stress that the heavy debt burden has impeded the development efforts of African countries and impoverished their economies. We believe that the international community has the responsibility and obligation to help solve the African debt problem.

We are highly appreciative of the stable development of Sino-African relations over the past decades; have full confidence in the future co-operation; and agree that there exists a solid foundation for friendly relations and co-operation between China and Africa, given their time-honoured traditional friendship. We also emphasise that both China and African countries are developing countries with common fundamental interests and believe that close consultation between the two sides on international affairs is of great importance to consolidating solidarity among developing countries and facilitating the establishment of a new international order.

We review the development of co-operation between China and African countries in the economic, trade and other area, and realise that there are considerable potentials for such co-operation. We believe that this co-operation is part of South-South co-operation and that to strengthen this co-operation serves their immediate and long-term interests of both China and African countries.

We hereby solemnly declare that:

among states must be respected. All countries should have the right to participate in international affairs, on an equal footing. No country or group of countries, has the right to impose its will on others, to interfere, under whatever pretext, in other countries' internal affairs, or to impose unilateral coercive economic measures on others. The North and the South should strengthen their dialogue and co-operation on the basis of equality.

2. The principle of peaceful settlement of international disputes must be adhered to. Disputes between states should be resolved through negotiation, consultation or other peaceful means, rather than through force, or threat of force, including nuclear threat. All the nuclear-weapon-states must undertake not to be the first to use nuclear weapons and not to use or threaten to use, nuclear weapons against non-nuclear states or regions. All the parties concerned should strive to advance the process of disarmament and nuclear non-proliferation, with a view to realising the ultimate goal of complete prohibition and thorough destruction of nuclear weapons and other weapons of mass destruction, so as to ensure security to all countries. We support efforts to create new nuclear-weapon-free zones, freely subscribed to by the countries concerned. The two sides are ready to enhance their co-operation in stopping the illicit proliferation, circulation and trafficking of small arms and light weapons.

3. The primary role of the UN Security Council in safeguarding world peace and security should be respected and enhanced and vigorous efforts should be made to push forward the reform of the United Nations and international financial institutions. The developing countries should be more adequately represented in the UN Security Council and international economic and financial institutions so as to fully reflect the democratic principle governing international relations. In this respect, we call for the recognition of the legitimate place due to Africa in the Security Council and the organisations and specialised agencies of the United Nations system.

4. The universality of human rights and fundamental freedoms should be respected and the diversity of the world and the principle of seeking common ground while reserving differences must be upheld and carried forward. Each country has the right to choose, in its course of development, its own social system, development model and way of life in light of its

protecting human rights in their own countries. Moreover, the politicisation of human rights and the imposition of human rights conditionalities on economic assistance should be vigorously opposed to as they constitute a violation of human rights.

5. The principle of conducting mutually beneficial co-operation and seeking common development should be advocated. Developed countries have the responsibility and obligation to provide financial, technological and other assistance to developing countries, African countries in particular. They should work out feasible development programs for and co-operate with them on the basis of equality and mutual benefit with a view to achieving common development for both the North and the South. The developing countries, on their part, should unite and co-ordinate with each other more closely, maximising advantages while minimising disadvantages and adversities, as well as tackle together challenges brought about by globalisation.

6. We welcome efforts made by the African continent to enhance sub-regional co-operation and further consolidate African unity by establishing the African Union. We urge the international community and international organisations to support the measures adopted by African countries for this purpose. All parties concerned should commit themselves to solidarity, peace and development of Africa and properly settle the conflicts. We appreciate the active role by OAU and other relevant regional and sub-regional organisations in resolving African conflicts. The international community, especially the United Nations, should give special attention to the resolution of conflicts in Africa. In this connection, it should adopt all necessary measures, including formulating effective peacekeeping programs and relief plans.

7. We appreciate the efforts made by African countries and the international community to combat HIV/AIDS, malaria and other infectious/communicable diseases as well as the actions undertaken to eradicate poverty. In this respect, we welcome the initiative to establish a World Solidarity Fund and call for vigorous support by appropriate institutions for the establishment of this Fund.

8. We welcome the laudable efforts made by certain middle income countries and other bilateral initiatives by donors aimed at the cancellation of African official debts. We appreciate the recent enhancement of the Heavily Indebted Poor Countries (HIPC) initiative, geared at relieving the debt burden and alleviating poverty, particularly in Africa. We stress that the HIPC initiative is being undertaken against the background of the decline in ODA to historical levels and that the rescheduling of Africa's debt must not be conducted with political strings attached or at the expense of official development assistance. We strongly appeal to the relevant international financial institutions and creditor developed countries to adopt more concrete measures aimed at debt relief and reduction for the least developed and middle income African countries. We welcome concrete measures and contribution to be made in this regard by China, a developing country itself.
9. We are determined to further consolidate and expand China-Africa co-operation at all levels and in all fields and to establish within the framework of South-South co-operation a new-type long-term and stable partnership based on equality and mutual benefit. We will deepen dialogue, broaden consensus, continue to harmonise our positions on international affairs and enhance mutual support so as to uphold the legitimate rights and interests of China and African countries and to expand and deepen this new-type partnership between China and African countries.
10. We decide to vigorously promote further China-Africa co-operation in the economic, trade, financial, agricultural, medical care and public health, scientific and technological, cultural, educational, human resources development, transportation, environmental, tourism and other areas on the basis of the principles enshrined in this declaration and the Program for China-Africa Co-operation in economic and social Development adopted at the Forum so as to promote the common development of China and Africa.

Annex II to the letter dated 24 October 2000 from the Permanent Representative of China to the United Nations addressed to the Secretary-General

Programme for China-Africa Co-operation in Economic and Social Development

The Forum on China-Africa Co-operation - Ministerial Conference 2000 was held in Beijing, China from 10 to 12 October 2000. Ministers from China and 44 African countries exchanged views and are convinced of the imperatives for a dynamic, new strategic partnership between Africa and the PRC. The Ministers commit themselves to co-operating in all fields, especially social and economic development, on the basis of equality and mutual respect with a view to renewing, developing and expanding China-Africa co-operation in the 21st century.

1. Foreword

1.1 The Ministers reviewed with satisfaction the results of the co-operation between China and African countries over the past 50 years. The Ministers believe that such co-operation, not only directly benefits their peoples, but also enhances friendship and mutual understanding. The Ministers note that China and African countries have made great efforts in recent years to explore new forms of co-operation, particularly between enterprises. They, however, note that both Africa and China still have great potential, which should be properly managed and strategically directed for their mutual benefit.

1.2 The Ministers also agree that, in view of the present unjust and inequitable world order, China and African countries should position themselves to influence the establishment of a new world order which will reflect their needs and interests. To this end, they agree to adopt a workable programme towards the creation of a new strategic partnership for sustainable development in the 21st century.

1.3 The Ministers further observe that globalization currently presents more challenges and risks than opportunities to the vast number of developing countries and therefore express their determination to strengthen the existing co-operation between China and African countries in all fields. They also agree to earnestly explore new ideas and strategies to develop their respective economies and enhance their capabilities to participate in globalization.

1.4 In pursuit of the foregoing objectives the Ministers reiterate that China and African countries will honor the following principles of co-operation for their future development:

1.4.1 equality and mutual benefit

- 1.4.2 diversity in form and content
- 1.4.3 emphasis on practical results
- 1.4.4 pursuit of common progress
- 1.4.5 amicable settlement of differences

2. Inter-governmental Co-operation

2.1 The Ministers maintain that the two sides should use and improve the existing bilateral consultation mechanisms to strengthen inter-governmental links, explore new areas of co-operation, closely monitor the progress in their existing co-operation and share experiences in order to enhance their mutually beneficial partnership. In light of the development and changes in their bilateral economic and trade relations, the two sides agree to continue to review and conclude agreements as necessary, with a view to encouraging preferential market access for products from African countries into China.

2.2 The Ministers agree to promote the exchange of high-level visits and conduct regular inter-governmental dialogue and co-operation, so as to create a favorable climate for business contacts and trade between China and Africa. In addition, they undertake to promote positive interaction with relevant trade and commercial organizations and assist in the establishment of effective communication links between such organizations in China and Africa, in order to ensure that they play an active role in the development of our economies.

2.3 The Chinese government undertakes to continue to co-operate with and provide development assistance to African countries, focusing on the promotion of local industries, sourcing of local materials and the creation of employment. Such development assistance should support national policies of African countries and be awarded in consultation with national governments. Projects will be aimed at the utilization of local expertise and materials, the creation of local employment and the development of human resources of African countries.

2.4 To support African countries in their economic and social development, the Chinese side undertakes to continue providing assistance to African countries, within its capacity, in light of specific economic conditions of the recipient countries and within the framework of South-South co-operation. This support will mainly take the form of aid grants, concessional loans and interest-free loans to be mainly used in areas determined by both sides.

3. Trade and Investment

enabling legal and business environment, so that such co-operation will gradually play a leading role in the China-Africa economic partnership.

3.2 The Ministers agree to conclude an appropriate legal framework on:

3.2.1 trade promotion and capacity building;

3.2.2 encouragement, protection and guarantee of investments;

3.2.3 avoidance of double taxation;

3.2.4 enhancement of co-operation in marine shipping and air transportation

3.3 The Ministers agree to undertake joint efforts to improve trade and investment environment through such measures as granting each other preferential treatment in conformity with existing national laws, equitable treatment to all investors together with investment guarantees and just settlement of eventual disputes, in accordance with internationally accepted rules and practices.

4. Trade

4.1 The Ministers note the necessity to move towards balanced and enhanced trade and acknowledge the need to assist in improving the production capacity in Africa and in diversifying the composition of African exports. They pledge to collaborate and share experience in overcoming Africa's export dependence on primary commodities, single products and raw materials.

4.2 The Ministers stress the need to harmonize their trade policies and to participate actively in trade negotiations, including within the framework of the WTO, in order to ensure that the multilateral trading system contributes to enhanced competitiveness, economic growth and sustainable development of their countries.

4.3 The Ministers express the readiness of their business communities to vigorously explore and benefit from all opportunities offered by their respective markets, in an enterprising spirit, while complying with internationally accepted norms and quality standards in their exported products.

4.4 Noting with concern the imbalance in the two-way trade and the need to address it as soon as possible, the Chinese side undertakes to:

4.4.1 encourage its enterprises to give preference to the import of African products in the light of market demand and conditions;

4.4.2 strive to make its investment and trade centers in Africa a success, and to facilitate the establishment of similar centers of African countries in China, so that these centers will play an effective bridging role in facilitating exchanges and communications between enterprises of the two sides;

the Chambers of Commerce of African countries and professional organizations, so as to put in place a dialogue and consultation mechanism with African enterprises and promote economic co-operation and trade between them; and

4.4.4 establish a China-Africa Products Exhibition Center in China to promote two-way trade and facilitate access for African products to the Chinese market.

4.5 The Ministers state importance of providing better and preferential access to the Chinese market for African exports of commercial importance.

4.6 The Ministers agree to ensure better access to each other's market, in the context of multilateral trade liberalization and progress made with due regard to regional integration arrangements in Africa.

5 Investment

5.1 The Ministers pledge to encourage mutual investment by their enterprises, the exchange of experience in business management, the setting up of joint ventures or sole ownership enterprises, including small or medium ones and the establishment of joint business for a, as key factors in the China-Africa economic partnership.

5.2 The Chinese side will set aside special funds to support and encourage investment by well-established Chinese enterprises in African countries to set up joint equity or co-operation projects adapted to local need in terms of job creation and transfer of technologies.

5.3 The Chinese side agrees to share with African countries its experience in the field of investment promotion relating to the establishment and management of free and special economic zones.

5.4 The Minister agree to identify their complementarities in order to invest in common projects through bilateral and/or trilateral co-operation channels.

5.5 They agree that the Joint Business Council to be established between their public/private sectors will be aimed at organizing regular business meetings among their economic operators and professional organizations as well as training seminars on doing business with special focus on their market specific aspects.

5.6 The Minister express their readiness to develop further, as necessary, the finance schemes needed to implement mutual investment and economic partnership between China and Africa.

6 Co-operation in Engineering and Other Infrastructural Projects

6.1 The Minister positively appraise the co-operation between the two sides

to encourage well-established Chinese enterprises to participate in economic and infrastructure construction and development projects in African countries. It also expresses its readiness to make available its modern and appropriate technologies, as well as managerial expertise, in various areas such as engineering contracting, technical and management co-operation. It will also encourage these enterprises to enhance co-operation with their counterparts in Africa and employ, as well as train more local people, including the usage of locally available resources. In such co-operation, the Chinese side may also consider accepting various forms of payment such as payment in kind, to ease African countries' financial burden and help increase their export to China.

7. Financial Co-operation

7.1 Noting that co-operation between financial institutions of China and African countries has just started, the Ministers express their determination to encourage them to vigorously look into the possibility of co-operation in such forms as parallel and co-financing arrangement. They believe that it is imperative to continue to enhance financial co-operation between China and the African Development Bank Group (ADB), the Eastern and Southern African Trade and Development Bank (PTA) and other multilateral financial institutions in Africa, in particular to implement the bilateral agreement on technical co-operation concluded between China and the ADB.

8. Debt Relief and Cancellation

8.1 The Ministers note with concern that the heavy debt burden not only seriously hampers the economic growth of African countries, but also causes worsening social problems. They welcome the international efforts for debt relief or cancellation over the past few years and call on developed countries and international financial institutions that are main creditors to fulfil their commitments at an early date. The momentum on debt relief over the past years must be maintained and developed.

8.2 The Chinese side notes that African debt to China does not constitute the bulk of the continent's debt stock and that China is herself a developing country and a net debtor. Notwithstanding this, the Chinese side expresses its readiness to help relieve the debt burden of African countries. In this connection, the Chinese side undertakes to reduce or cancel debt amounting to 10 billion RMB yuan owed by the heavily indebted poor countries and least developed countries in Africa in the coming two year. The details will be discussed through bilateral channels.

United Nations Security Council, is a significant partner in developing support around the issue of debt relief for Africa.

9. Tourism

9.1 The Ministers acknowledge that tourism is an important economic activity which has the potential for generation financial resources that will help Africa's accelerated economic growth, the creation of employment opportunities and the alleviation of poverty. They agree to co-operate in promoting tourism and undertake to encourage investment in the development of tourism infrastructure and capacity, with specific focus on the development of small, micro and medium enterprises.

10. Migration

10.1 The Ministers agree that their respective governments will facilitate the processing of applications for work permits and visas, in line with the existing legislation and policy pertaining to migration, and that deficiencies will be addressed within the framework of bilateral agreements.

11. Agricultural Co-operation

11.1 The Ministers express their readiness to share their respective countries' experience in various fields of agricultural development and fisheries.

11.2 Realizing the vital importance of agricultural development to eliminating poverty and ensuring food security, the Ministers are determined to take all the necessary measures to ensure successful co-operation in this area.

11.3 The two sides also agree to further explore effective ways of trilateral co-operation among China, African countries and the relevant international institutions such as the United Nations Food and Agriculture Organization (FAO).

12. Exploration and Utilization of Natural Resources and Energy

12.1 Cognizant of the importance of their respective natural resources, the two sides agree to co-operate in the use of such resources. China agree that Africa needs to beneficiate its agricultural, mineral and metallurgical resources, in order to generate industrial economic activities. In this regard, China agrees to promote investment in, and exploration and beneficiation of metallurgical resources and that such beneficiation should be done in Africa.

12.2 The Ministers agree to facilitate the exploration and beneficiation of

13. Scientific, Technological and Cultural Co-operation

13.1 Aware of the importance of scientific, technological and cultural co-operation, the two sides commit themselves to:

13.1.1 enhancing co-operation in the areas of basic and applied research, and development and transfer of technology;

13.1.2 supporting the upgrading of Africa's indigenous technologies;

13.1.3 working together for the extension of technologies already developed and employed, such as utilization of solar energy, disaster prevention, management and relief, as well as development of water resources, so as to make them serve the economic revitalization of both China and African countries; and

13.1.4 increasing cultural exchanges, particularly the exchange of visits by high-level cultural delegations and sports and art groups, setting up more art exhibitions in each other's territory, and making a greater effort to study and promote each other's culture.

14. Co-operation in Medical Care Public Health

14.1 Recognizing the positive role of the Chinese medical teams in Africa and grateful for the efforts of the Chinese government in this regard, the African Ministers welcome the commitment made by the Chinese side to send more medical teams to African countries and they promise to create suitable working and living conditions for these teams.

14.2 The Chinese side agrees to give positive consideration to the requests of African countries and promises to continue to provide them with medical equipment, facilities, medicine and more training to local medical personnel, and promote co-operation in the use of traditional medicine and pharmacy, so as to ensure more fruitful results in such co-operation.

14.3 The two sides agree to conduct co-operation in such areas as reducing infant and maternal mortality rates, and preventing and treating HIV/AIDS, malaria, tropical and other diseases.

15. Education and Human Resources Development

15.1 The Minister agree to expand co-operation in education and human resources development. The Chinese side pledges to:

15.1.1 grant more scholarships to African students to study in China, continue to send teachers to Africa to help local institutions of higher learning improve their disciplines and specialties, and set up channels of

15.1.2 establish an African Human Resources Development Fund and gradually increase financial contribution to the Fund for the training of professionals of different disciplines for African countries.

15.2 The two sides agree to work out country-specific training plans through appropriate channels, identify specific co-operation projects and facilitate their implementation.

16. Environmental management and Bio-diversity

16.1 The Ministers support international efforts towards environmental management and sustainable human development. The two sides express their commitment to the key elements of the various environmental conventions and undertake to forge closer co-operation and joint participation in capacity building for integrating environmental management in national development.

16.2 In pursuit of this, China and Africa undertake to co-operate in all fields of environmental management, including pollution control, bio-diversity conservation, protection of forest eco-systems, fisheries and wildlife management in order to ensure economic and sustainable human development.

17. Trilateral Co-operation

17.1 The two sides stress the importance of the development of trilateral co-operation to achieve the objectives contained in the present programme of co-operation and the promotion of Sino-African relation, notably within the framework of South-South co-operation. They note that such an initiative will lead to the effective utilization of available financial resources for the further development of human and natural resources of the countries involved.

18. Co-operation on Arms Control

18.1 The Ministers express deep concern at the large influx of small arms and light weapons to conflict areas in Africa and agree that this constitutes a threat to peace, security/stability and development on the continent. They pledge to fully co-operate at international level to prevent and combat the problem of illicit proliferation, circulation and trafficking of small arms and light weapons.

19. Multilateral Co-operation

19.1.1 strengthen co-operation and consultation at multilateral for a such as the UN System, UNCTAD, and the WTO, so as to safeguard the common interests of the developing countries; and

19.1.2 co-ordinate positions in reforming multilateral economic and trade regimes and formulating relevant rules, with a view to increasing the collective bargaining capacity of developing countries, and make joint efforts towards the democratization of international relations and the establishment of a just and equitable new international economic order

19.2 The Ministers agree to work for the reform of the United Nations and particularly the UN Security Council that will be geographically representative. We call for the recognition of the legitimate place due to Africa in the Security Council, the organizations and specialized agencies of the United Nation system.

20. Follow-up Mechanisms

20.1 The Ministers agree to establish corresponding committees for follow-up actions of the Forum on China-Africa Co-operation at Ministerial level.

20.2 The two sides agree to set up joint follow-up mechanisms at various levels. Under these mechanisms, the Ministers will meet in three years time to evaluate progress in the implementation of the Programme, Senior Officials in two years time and Ambassadors resident in China on a regular basis. The Senior Officials Meetings and the Ministerial Conferences will be convened in China and Africa on an alternate basis within the framework of the Forum on China-Africa Co-operation.